Every Day | Around the Globe

The Coca-Cola Company

2004 ENVIRONMENTAL REPORT

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Summary of 2004 Environmental Impacts from Manufacturing Plants in the Coca-Cola System

	2004	2003	2002	% Change (2004 vs. 2003)
Worldwide Unit Case Volume	**19.8**	19.4	18.7	2 %
	(billions of unit cases)			

AVERAGE RATIOS FOR PLANTS SUPPLYING DATA

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

ESTIMATED TOTAL SYSTEMWIDE IMPACT

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

[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] CO_2 Emissions: We estimate that our 2004 energy consumption led to direct and indirect emissions of 5.5 million metric tons of carbon dioxide (CO_2), a decrease of approximately 200,000 metric tons versus 2003.

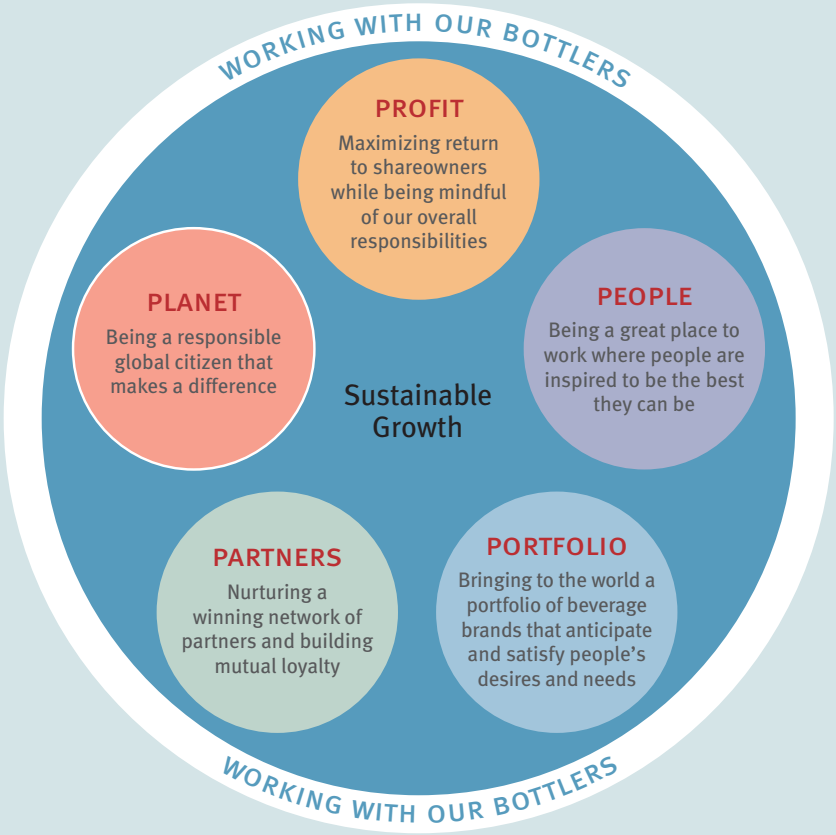
[3] Environmental reports by other companies use various measurement units. Gigajoules per ton of production is common and is equivalent to our megajoules per liter ratio. When applied to electricity production only, the numerator is often expressed in kilowatt-hours (kWh). 1 kWh is equivalent to 3.6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

A LETTER FROM JEFF SEABRIGHT

The Coca-Cola Company's recently adopted *Manifesto for Growth* lays out a vision for sustainable growth with clear goals in five areas: profit, people, portfolio, partners and planet. This vision is premised on the understanding that ensuring a sustainable future for our business means doing what we can to help ensure a sustainable future for our planet.

Our first comprehensive *Citizenship Report*, published this year, provides information on our commitment to "being a global citizen that makes a difference" in the marketplace, workplace, environment and community. A summary of this *2004 Environmental Report* appears in the *2004 Citizenship Report*.



Three principal environmental challenges demand our attention because they are where our business has the greatest impact: water quality and quantity, energy and climate change, and solid waste. This *2004 Environmental Report* describes initiatives we launched or advanced during 2004. Working with our business system and external stakeholders to help ensure the sustainability of the resources on which we all depend, these initiatives include the following:

- As discussed in last year's report, water resource management is an environmental priority for our Company. In 2004, we launched the Coca-Cola Global Water Initiative, aimed at addressing water sustainability for our business. We conducted a detailed analysis of the water risks facing our operations and surrounding communities in more than 840 of our production facilities around the globe. These risk assessments are providing the basis for a number

of water stewardship projects that include establishing partnerships with communities, governments and environmental groups and engaging with our bottling partners to establish quantitative targets for our water use efficiency.

- In 2004, we took a major step in reducing the potential climate impact of our cooling equipment (coolers and vending machines) by honoring our commitment to work with bottlers to transition our system toward hydrofluorocarbon-free refrigerants. As a result of extensive testing, carbon dioxide (CO_2)-based refrigeration has clearly emerged as the safest, most reliable and most energy-efficient hydrofluorocarbon-free cooling alternative for our business. We are now working toward full commercialization of this technology and encouraging the wider industry to follow suit, an effort that is being conducted in close collaboration with other global corporations, along with the United Nations Environment Programme and Greenpeace International.

- We are also embarking on a new, more comprehensive approach in the area of consumer packaging. We have long been a leader in reducing the environmental impact of packaging through innovative design, resource efficiency and encouraging recycling and reuse. We are now bringing these efforts together into an integrated global strategy that addresses the entire lifecycle of our packaging.

Through all these activities, we are deepening our commitment to engagement and open dialogue with external stakeholders. In 2004, we held our first Stakeholder Forum, bringing together a number of outside experts and Company senior management, as well as employees, to talk about water issues. The Company's Environmental Advisory Board has also provided invaluable input and advice on policies and on enhancing our relationships with external stakeholder groups.

As we move forward, we are committed to continuous improvement of our environmental management systems. This means embedding environmental considerations even more deeply into the day-to-day business practices of our operations around the world. It also means strengthening and refining our collaboration with our bottling partners, suppliers and retail customers to improve the measurement, management and reporting of environmental impacts throughout our business value chain.

In this report, we have reflected input received on earlier reports, where possible. We continue to welcome feedback on our web site as we work with our business partners, communities and other environmentally concerned groups to improve our environmental performance and contribute to sustainable solutions to the environmental challenges we all face. We still have a long way to go, and I am personally committed to this journey.

Sincerely,

Jeff Seabright
Vice President, Environment & Water Resources
September 2005

OUR BUSINESS AT A GLANCE

The Coca-Cola Company and Our Business System

The Coca-Cola Company: Thanks to our customers and our consumers, The Coca-Cola Company is the world's largest nonalcoholic beverage company. Along with Coca-Cola, recognized as the world's most valuable brand, the Company markets four of the world's top five soft-drink brands, including diet Coke, Fanta and Sprite, and a wide range of other beverages, including diet and light soft drinks, waters, juices and juice drinks, teas, coffees, and sports drinks. Through the world's most extensive beverage distribution system, consumers in more than 200 countries enjoy the Company's beverages at a rate exceeding 1 billion servings each day. For more information about The Coca-Cola Company, please visit our web site at www.coca-cola.com.

During 2004, the operating global business was organized into five geographic Strategic Business Units: Africa; Asia; Europe, Eurasia & Middle East; Latin America; and North America.[1] The Coca-Cola Company and the bottling partners we own or in which we have a controlling interest employ approximately 50,000 people worldwide.

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

33
principal beverage concentrate and/or syrup manufacturing plants

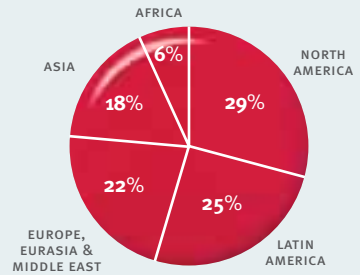
36
operations with
83
principal beverage bottling and canning plants outside the United States

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

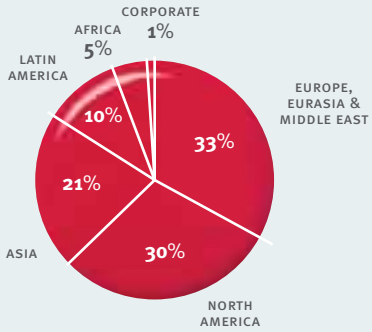
1
facility that manufactures juice concentrates for foodservice use

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.[2]

2004 Unit Case Volume Worldwide
TOTAL: 19.8 BILLION



2004 Net Operating Revenues
Worldwide
TOTAL: $22.0 BILLION



[1] This organization was realigned in May 2005 and, at the time of printing this report, the Company is organized into six operating groups: Africa; Asia, Eurasia & Middle East; European Union; Latin America; North America; and Southeast Asia & Pacific Rim.

[2] As reported in the 2004 *Annual Report on Form 10-K*.

The Coca-Cola System: The Company and Its Bottling Partners

For the most part, our concentrates and syrups, as well as some finished beverages, are sold to bottling and canning operations, distributors, fountain wholesalers, and some fountain retailers.

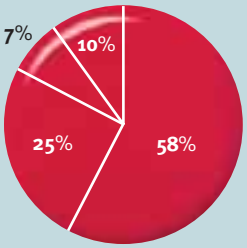
The Coca-Cola Company and our bottling partners together make up what we refer to as "the Coca-Cola system" or "the system." This *2004 Environmental Report* covers the performance of the system as a whole, although the system is not a single entity from a legal or a management point of view.

Our relationship with bottling partners we do not own or control is one of collaboration and mutual support. These businesses have independent management, policies and governance structures. Many are publicly traded companies with independent shareowner structures. Some are involved in businesses outside the nonalcoholic beverage sector. We do not control the policies and programs of these bottling partners, but we have mutual self-interests and therefore work together to find common ground and take common action in many areas. This includes our environmental activities.

At the end of 2004, the Coca-Cola system owned, leased or operated 867 production facilities around the world.

Our Bottling Relationships

The Coca-Cola Company has three types of bottling relationships. The corresponding number represents the percentage of worldwide unit case volume that each type of bottler produced and distributed in 2004:



58% – BOTTLERS IN WHICH THE COMPANY HAS INVESTED AND HAS A NONCONTROLLING OWNERSHIP INTEREST

25% – INDEPENDENTLY OWNED BOTTLERS, IN WHICH THE COMPANY HAS NO OWNERSHIP INTEREST

7% – BOTTLERS IN WHICH THE COMPANY HAS INVESTED AND HAS A CONTROLLING OWNERSHIP INTEREST

10% – THE REMAINING APPROXIMATE PERCENTAGE OF OUR WORLDWIDE UNIT CASE VOLUME IN 2004 WAS PRODUCED AND DISTRIBUTED BY OUR FOUNTAIN OPERATIONS PLUS OUR JUICE, JUICE DRINK, SPORTS DRINK AND OTHER FINISHED BEVERAGE OPERATIONS

Our Principal Environmental Impacts

In addition to the Company and our bottling partners, the environmental impact of our business extends throughout our "value chain," including:

"Upstream" to our **suppliers**

These include suppliers to the Company of flavors and other ingredients for our concentrates and syrups, as well as providers to our bottling partners of supplies needed in the production of finished beverages, such as bottles, cans and other packaging, sugar and other sweeteners, and CO_2 for carbonation.

"Downstream" to **distributors**, **customers** and **consumers**

Our bottling partners deliver finished beverages through one of the world's largest and most complex distribution systems to retail customers around the world, ranging from supermarket chains, to restaurants of all kinds, to small convenience stores and street vendors. These retail customers then sell our beverages to our consumers, who purchase nearly 1.3 billion servings each day.

The following illustration depicts the key relationships that comprise this value chain, along with their environmental impacts. This report reflects our commitment to providing a full picture of these impacts.

Our Manufacturing Process and Associated Environmental Impacts

Water

1. Used in our system's plants as a product ingredient, as well as in operations for processes such as purification, washing and rinsing of packaging, cleaning of product mixing tanks and piping, steam production and cooling
2. Wastewater from plants, required by Company policy to be either treated on-site or discharged into public or private sewage systems for treatment before being returned to rivers and other natural bodies of water

Greenhouse Gas Emissions

1. From energy used in manufacturing operations, either directly (e.g., in-plant boilers fueled by gas or oil) or indirectly (power plants producing the electricity used in bottling plants)
2. From energy use and unintentional refrigerant leaks associated with the manufacture, operation and disposal of cold-drink equipment such as coolers and vending machines
3. From fuel used to power the fleets that deliver our products to customers

Waste

1. Waste from our system's production facilities, including ingredient containers, damaged product containers, shrink or stretch film that holds palletized products together, biosolids from wastewater treatment plants, wood from damaged pallets, and compostable material from ingredients such as tea leaves, etc.
2. Waste arising from the disposal of sales and marketing equipment at the end of its useful life
3. Packaging waste arising after consumers have enjoyed our products

The Coca-Cola Company's core operations consist of Company-owned concentrate and syrup production. However, some of the main environmental impacts of our business occur further along our value chain—through our system's bottling operations, distribution networks, and sales and marketing activities. Managing environmental performance across this business value chain becomes more complex outside the core operations controlled by the Company. But as a responsible environmental steward, we continually strive, together with our business partners, to minimize our impacts at every step in the process.

Moving forward, we will also continue to expand our understanding of the complete environmental impact of our business through the entire lifecycle of our products, from ingredient procurement to production, delivery, sales and marketing, and post-consumer recycling.

2004 IN REVIEW

As part of our commitment to transparency and accountability, we highlight here some of the key achievements and most significant challenges in our environmental performance during 2004. **More detail on each of these items can be found in the relevant sections of this report.**

Achievements

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 increased.

Additionally, we took some significant steps in 2004 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—an integrated program aimed not only at ensuring our own responsible use of water, but also at contributing to sustainable water resource management in local communities. As a first step, during 2004 we conducted a detailed analysis of water risks facing our business in more than 840 locations around the world. This major effort will provide the basis for developing programs to enhance efficient water use in our operations while partnering with communities to better manage their water resources.

Climate Change

Our efforts to develop climate-friendly refrigeration technology took a major step forward in 2004, with the selection of an alternative HFC-free technology, based on CO_2, 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 in June 2004, with the support of governments and nongovernmental organizations, and we successfully tested the technology at the 2004 Olympic Games in Athens.

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 government, nongovernmental organizations and academia, as well as employees including 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. Other forums will be planned periodically to address other environmental issues.

Over the past two years questions have been raised about our environmental practices in India. Three specific accusations have been made against our Company:

Groundwater - an allegation that our local bottling plant was depleting the aquifer in Kerala by unreasonably withdrawing groundwater;

Biosolids - an allegation that the biosolids (a material composed of both organic and inorganic substances that results from waste water treatment processes) generated at our local bottling plants contained heavy metals above prescribed limits; and

Pesticides - an allegation that our carbonated soft drinks contained unsafe levels of pesticide residues.

We take these concerns seriously and we continually work to ensure that our products and practices are world class and safe.

We believe that these issues are challenges that arise through working in emerging economies. In our opinion, the balance of evidence including testing and analysis by independent laboratories and the Indian government show that the allegations against Coca Cola have not been substantiated.

We have recognized the importance of sustainable environmental and water management in India and our plans for continuous improvement in this area are well under way. To ensure we continue on this path, further work is required to continuously improve our practices, address the challenges, and to improve relations with our partners and stakeholders. As a Company, we are strongly committed to making that journey. Some of our key actions in this area are outlined further below.

Groundwater: Protecting and managing water resources for all uses and users is a critical challenge in India. As an industrial water user, we are continuously working to reduce our water use and environmental impact. Recent updates on the allegations related to groundwater depletion include:

An independent study commissioned by the High Court of Kerala, found that:

"Under normal rainfall conditions the planned groundwater withdrawal of 5 lakh liters per day by [the] Coca-Cola factory will not adversely affect the availability of groundwater in the Chittur Block. However, groundwater withdrawal by the Coca-Cola factory has to be strictly controlled in those years in which the rainfall is much less than the mean value."*

Based on this assessment, the High Court of Kerala concurred and determined that the primary cause of the water shortage in the local Kerala area was reduced rainfall during the last several years, and that the Company has the right to withdraw and use water from the local aquifer for use by its Kerala bottling plant.

The Coca-Cola Company specifically has reduced our water use ratios in India by 24 percent between 2000 and 2004 (from 5.12 liters per liter of product to 3.9).

*1 lahk=100,000

We have installed rainwater harvesting systems in 22 of our plants and in a number of communities, and we are expanding these efforts. Our rainwater harvesting initiative in India is designed to return a substantial percentage of the water we remove from the aquifers.

We have recently initiated an Agricultural Water Initiative with Business for Social Responsibility (BSR) that aims, among other things, to 1) develop supply chain tools that enable corporations to assess, monitor and improve water management strategies in their respective supply chains, 2) create sustainable water management tools for producers, and 3) to create water management indicators and an assessment tool that becomes a widely used industry standard.

There is more work to be done to address these challenges and we are committed to playing an important role, working together with other water users and stakeholders. While we are doing what we can to improve our own water conservation practices and to assist with providing drinking water to the communities in which we operate, the issue of water conservation in India is much larger than just The Coca-Cola Company. To successfully address this issue, there must be a collaborative effort from leaders in the private sector, government, and non-governmental organizations. Some of these efforts must improve our knowledge of water challenges and toward that end, we have begun working with recognized scientists to address the range of issues facing some of India's key watersheds. These evaluations can then inform our efforts to improve water management and work with local communities to improve access to clean water and sanitation. Forming strong relationships with the right partners will be the key to the success of these efforts, and we look forward to reporting on our progress in our 2005 Environmental Report.

Biosolids: Food and beverage manufacturing plants that have wastewater treatment systems produce biosolids as part of the wastewater treatment process. It is common practice internationally to test the biosolids for safety and if safe, to distribute them on land as soil conditioner. Recent updates on the allegations related to biosolids management include:

When allegations surfaced that cadmium and lead were present in the Company's biosolids, we took back the biosolids that had been taken by farmers in Kerala, and performed an internal evaluation of all of our plants in India to test the biosolids' characteristics and to determine the proper method of handling, storage and disposal of those materials.

The Company requires that the generation, composition and management of biosolids is to be monitored by managers at Coca-Cola bottling plants, and biosolids are to be routinely tested to determine appropriate disposal options and to meet internal and local requirements. Additionally, Company standards require testing of land application areas prior to and after the distribution of biosolids to ensure no adverse impact on the environment. The Coca-Cola Company Environment & Water Resources Department is working with our operations in India and around the world to enable understanding and correct application of the standards.

A detailed study conducted by the Kerala State Pollution Control Board deemed the biosolids produced by our Kerala plants to be non-hazardous. This finding is consistent with internal characterization tests.

Certain regional Pollution Control Boards in India require that biosolids generated by the beverage industry while being classified as non-hazardous are to be disposed as hazardous waste. In such instances, the biosolids are either stored on-site as per guidelines provided by local authorities, or disposed of at a government-approved hazardous waste disposal site.

The biosolids matter in India is not completely resolved. We are working internally and with external stakeholders toward this end. We continue to work with our industry associations and the Indian government regarding the proper characterization, handling and disposal of biosolids, and to encourage the development of additional solid waste disposal sites and clear government policies regarding disposal.

Pesticides: Pesticides are widely used in agriculture in India, and can contaminate water sources and agricultural products. Recent updates on the allegations related to the pesticides issue include:

We constantly monitor our ingredients and products for quality control and continue to strengthen our processes and procedures to ensure that involuntary contamination by pesticides residues is minimized well below the safety limits.

The water used to make our products in India meets applicable regulations. Water used in our products is passed through a multi-barrier water treatment system which includes an activated granular carbon filtration and purification process designed to ensure every drop is safe for use in our beverages. We test for traces of pesticide residues in water to the level of parts per billion, equivalent to one drop in a billion drops.

Other ingredients used in our soft drinks are safe and meet applicable regulations.

As stated by the Minister of Health and Family Welfare and Parliamentary Affairs in a speech in on August 21, 2003, "According to the standards prescribed under PFA Rules, the soft drinks tested are well within the safety limits prescribed for packaged drinking water at present."

Despite the controversies discussed above, The Coca-Cola Company has recently received awards that recognize our work on environmental stewardship. For three consecutive years, Coca-Cola plants in India have won the prestigious Golden Peacock Environment Management Award for environmental practices from the Institute of Directors, which grants the award in association with the World Environmental Foundation. Coca-Cola India has also received recognition from the Indian Red Cross for its environmental programs.

Nevertheless, we recognize that our path to sustainable environmental and water management in India is just beginning. There is work to do to continuously improve our practices, address the challenges facing us, and build trust with our partners and other stakeholders. As a Company, we are committed to making that journey.

ENVIRONMENTAL GOVERNANCE

Environmental governance at The Coca-Cola Company consists of the management systems we have put in place to ensure good environmental stewardship. This includes our environmental policies, standards and requirements; the management organization and auditing processes that ensure accountability for implementation of these policies; collaboration with our bottling partners and other business partners; and the active engagement of external stakeholders.

Accountability

Environmental management organization: At the highest level, the Audit Committee of the Board of Directors is responsible for environmental governance at The Coca-Cola Company, a responsibility it exercises through periodic review of the Company's environmental audit process and results (see below).

The Company's Vice President, Environment & Water Resources (E&WR), is responsible for the development of specific environmental standards, requirements and programs and for monitoring and managing environmental performance across the business system. The Vice President is supported by the E&WR Department.

The Executive Committee, representing the Company's top management, periodically reviews environmental issues and requirements developed by the E&WR Department in collaboration with our bottling partners.

THE COCA-COLA COMPANY ENVIRONMENTAL MANAGEMENT ORGANIZATION

Body	Role & Responsibility
Board of Directors: Audit Committee	Responsible for ensuring accountability for environmental performance through review of environmental audits of Company-owned facilities.
Executive Committee	The Company's senior-level management periodically reviews environmental issues and standards developed by the Company's Environment & Water Resources department.
Vice President, Environment & Water Resources	Responsible for development of Company environmental standards, requirements and programs. Monitors and manages environmental performance across the business system, in cooperation with bottling partners.
Environment & Water Resources Department	Supports the Vice President and the environmental network in the field, providing substantive expertise on specific environmental issues, managing the implementation of Company environmental programs, and overseeing coordination with our bottling partners, business partners and other stakeholders.
Operating Group and Division Environmental Coordinators	Reporting to heads of regional operating units and individual operations, responsible for ensuring that their respective operations' environmental performance complies with Company standards and requirements. Meet annually to share best practices and develop strategic plans.
Coca-Cola Environmental Council	Coordinating forum between the Company and six of our largest bottling partners, representing 50 percent of worldwide business. Membership is composed of senior executives with environmental responsibility. Meets at least twice a year to collaboratively shape system environmental strategies and share best practices.
Environmental Advisory Board	Group of outside environmental experts with senior governmental experience or from nongovernmental organizations and academia. Provides independent advice to the Chairman and other senior management on environmental issues, the views of external stakeholders and Company programs. Meetings are held twice a year, focused on topics relevant to our business.

In 2004, the North America environment team was merged into the E&WR Department, which now includes experts in water, hydro-geology, global packaging issues, auditing and training, as well as staff resources focused on environmental coordination with our bottling partners. The creation of a single, focused department with enhanced expertise will help the Company to work more collaboratively and proactively with business partners, external stakeholders and communities to find sustainable solutions to key environmental challenges such as climate change, water scarcity and solid waste reduction.

At the regional level, Environmental Coordinators—reporting to individual Company operating units, divisions and production facilities—are responsible for ensuring that environmental performance within their respective operations complies with Company environmental standards and requirements. These coordinators convene annually on a regional and a global level to share best practices and undertake strategic planning.

Individual business units and operations are asked to incorporate environmental performance into their annual business plans, as well as identify any gaps in performance and the resources needed to address them.

Audit program for Company operations: Under our long-standing environmental, occupational safety and health audit program, managed by the Company's Legal and E&WR Departments, Company-owned production facilities are audited at least every three years to assess compliance with applicable legal and Company environmental, occupational health and safety requirements (see "eKOsystem," below). Audit reports are distributed to relevant management for appropriate action. Issues identified in audit reports are addressed through a regularly tracked corrective action program that incorporates appropriate completion dates.

The Company also conducts annual quality audits of every plant within our system—Company-owned facilities as well as independently owned bottling facilities—under authority of our bottling licensing agreements. In cooperation with individual operating units and our bottling partners, we have begun the process of making environmental, occupational safety and health standard assessments part of our quality audit program.

Environmental Management Systems and Standards

The environment is an integral part of **The Coca-Cola Quality System**, the Company's integrated business management system for ensuring compliance with standards in the areas of product quality, occupational safety and health, and the environment.

The environmental portion of The Coca-Cola Quality 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, even in those regions where regulatory standards may not be fully developed or enforced. It is used to ensure compliance with applicable law, improve performance, reduce costs and increase efficiencies.

eKOsystem is based on the Company's overarching commitment 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.**

The policy at the core of eKOsystem consists of five values:

eKOsystem: Environmental Policy at The Coca-Cola Company

Commitment to Lead:

Our commitment to protecting and preserving the environment extends throughout our organization. Our officers, managers and employees assume responsibility for daily implementation of our environmental management system.

Compliance and Beyond:

Our commitment to the environment extends beyond compliance. We are determined to integrate sound environmental practices into our daily business operations. Even in the absence of specific regulatory requirements, we operate in an environmentally responsible manner in accordance with the environmental standards of The Coca-Cola Company.

Minimizing Impact, Maximizing Opportunity:

We use the results of research and new technology to minimize the environmental impacts of our operations, equipment, products and packages, taking into account the associated cost or profit for each environmental benefit. We minimize the discharge of waste materials into the environment by employing responsible pollution prevention and control practices.

Accountability:

We are accountable for our actions. The Coca-Cola Company conducts audits of its environmental and safety performance and practices, documents the findings, and takes necessary improvement actions.

Citizenship:

We seek to cooperate with public, private and governmental organizations in identifying solutions to environmental challenges. We direct our Company's skills, energies and resources to those activities and issues where we can make a positive and effective contribution.

The enhanced version of the eKOsystem adopted in 2003 is consistent with the international environmental management system standard ISO 14001[1] and exceeds this standard in some areas by including additional detailed requirements tailored to our business, as well as corrective action and tracking procedures.

The eKOsystem includes both Management System Standards and Environmental Performance Standards. The Performance Standards are supported by detailed requirements documents that set out more specific management and control requirements for significant environmental aspects of our business operations, including the following:

waste management	fleet management	ozone protection
energy management	hazardous materials management	wastewater discharge
environmental, occupational health and safety due diligence	measuring and reporting environmental performance	water resource management

Every production facility must develop a site-specific program that identifies the specific environmental impacts of its operations and establishes processes for ensuring compliance with these standards and requirements.

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

The Company also provides environmental training to Company associates and bottling partners. For example, in 2004, 12 Waste$MART (Systemwide Minimization and Reduction Techniques) programs were conducted, in which employees are trained to identify cost-saving opportunities in the areas of water, energy and waste reduction. Courses were also conducted in auditing and general awareness of the Company's environmental standards and issues.

Collaboration with Bottling Partners

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

The **Coca-Cola Environmental Council** (CCEC), established in 2002, provides a systemwide view of the environmental impacts of our operations, collaboratively shapes environmental strategies, and shares best practices. Membership includes senior environmental managers from the Company and six of the system's largest bottling partners, who own and operate more than 200 production facilities around the world and represent approximately 50 percent of global unit case volume. Meetings are held at least twice each year; the current chairman of the CCEC is Dave Katz of Coca-Cola Enterprises.

The Coca-Cola Environmental Council

Dave Katz – Chairman
Coca-Cola Enterprises, Vice President, Operations Planning and Development

Jeff Seabright – Vice Chairman
The Coca-Cola Company, Vice President, Environment & Water Resources Department

Jeffrey Foote – Secretary
The Coca-Cola Company, Director, Environment & Water Resources Department

Severino Alvarez
Coca-Cola Mexico, Quality & Environmental Director Operating Group-LA

Tim Copeman
Coca-Cola Hellenic Bottling Company, CCHBC Group Quality Assurance Manager

Cees van Dongen
The Coca-Cola Company, Director, Environment, Health & Safety Europe, Eurasia & Middle East Operating Group

Wayne Hage
Coca-Cola Amatil, Environment, Health and Safety Manager

Nick Heaf
The Coca-Cola Company, Director, Commercial Products Supply Engineering

Ben Jordan
The Coca-Cola Company, Environment Coordinator, North America Strategic Operating Group

Kazunori Kashima
Coca-Cola West Japan, Manager, Environmental Department

Wataru Kawasaki
Coca-Cola West Japan, Environmental Manager

Kouichi Morii
Coca-Cola West Japan, Director, Executive Vice President

Bob Naidoo
SABMiller, Group Safety, Health, Environment and Quality Manager

Dr. Carlos Pacheco
Coca-Cola FEMSA, Group Environmental Manager

Carlos Enrique Parodi
Coca-Cola FEMSA, Engineering and Project Director

Reginald Prime
Coca-Cola Enterprises, Corporate Manager, Environmental Affairs

Vail T. Thorne
The Coca-Cola Company, Senior Environmental, Health & Safety Counsel

CCEC participating bottling partners:

Coca-Cola Enterprises
www.cokecce.com

Coca-Cola FEMSA
www.coca-colafemsa.com

Coca-Cola Hellenic Bottling Company
www.coca-colahbc.com

SABMiller
www.sabmiller.com

Coca-Cola Amatil
www.ccamatil.com

Coca-Cola West Japan
www.ccwj.co.jp

"The CCEC has allowed us, as environmental leaders in our companies, to form a unified approach to the environmental issues facing the entire Coca-Cola system. Through the Council, we have the opportunity to learn from each other and, as a result, improve the environments in the local communities in which we work and live."

DAVE KATZ
CHAIRMAN OF THE CCEC

In 2004, the Council's accomplishments included the launch of an intranet for sharing of best practices; assisting in the development of system strategies for water and sustainable packaging; completion of a detailed assessment of environmental issues impacting 45 bottling facilities owned by the largest bottling partners; and helping to significantly increase participation in the environmental performance measurement process.

Working with Other Business Partners: Suppliers and Customers

The Coca-Cola system has a large and complex supply chain, including more than 5,000 manufacturing facilities for directly procured materials such as beverage packaging, sweeteners and juices. As a customer of these businesses, we have an opportunity to integrate good environmental management into these relationships.

Our commercial relationships with suppliers are governed by our Supplier Guiding Principles program, which requires compliance with all applicable environmental laws and regulations. The program includes a Supplier Quality Audit process to verify compliance by suppliers with these requirements.

In 2004, we also 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. During 2004, we reviewed the audit protocol of 20 key suppliers to ensure the appropriate level of attention to environmental issues.

A number of our large food and beverage retail customers are also active in environmental issues, and we have engaged them on how to further environmental collaboration.

CASE STUDY: Europe—Partnership for Progress

Coca-Cola Hellenic Bottling Company (CCHBC), one of the Company's largest bottling partners worldwide, has taken important steps to enhance environmental management, providing an example of how the Company and its bottling partners can work together to advance the sustainability of the entire Coca-Cola business system. In addition to active participation on the Coca-Cola Environmental Council, a key forum for system collaboration on environmental issues, CCHBC has taken the following steps, in coordination with the Company:

- **Governance**: A sustainability governance structure has been established, including a Social Responsibility Committee on the Board of Directors; a group-level executive Social Responsibility Council, in which the Company also participates; and Environmental Coordinators in each country of operation and at every production facility.
- **Standards**: Implementing a plan launched in 2003, 52 out of 53 European CCHBC carbonated soft-drink plants have been independently certified as complying with ISO 14001. All 78 plants are targeted to achieve this goal by 2006.
- **Targets**: Specific targets have been established for the top four environmental indicators: reduction of the water use ratio, the energy consumption ratio and the solid waste ratio, and increasing recycling rates of solid waste from production.
- **Reporting**: CCHBC issues an annual *Social Responsibility* Report, including a section on the environment, which is in accordance with the Global Reporting Initiative's guidelines. The company is also listed on the FTSE-4-Good Index of environmentally and socially responsible companies.
- **Community**: CCHBC and the Company are collaborating on several joint community-based water initiatives, including pilot projects in five countries along the Danube River designed to help conserve local watersheds and educate and mobilize local communities behind these efforts.
- **Looking ahead**: In 2004, CCHBC conducted an ecological analysis aimed at increasing understanding of environmental impacts throughout the lifecycle of CCHBC's products, from the raw materials purchased to bottling and distribution, cold-drink equipment in the marketplace, and post-consumer waste. Based on the findings, which showed that the majority of these impacts derive from energy used by cold-drink equipment and the production of raw materials, CCHBC is extending its collaboration with suppliers on environmental issues.

CCHBC is one of the largest bottlers of nonalcoholic beverages in Europe. It owns Coca-Cola bottling operations in 26 countries, with a total population of 500 million people, stretching from the Republic of Ireland to eastern Russia, and from Estonia to Nigeria.

(Details can be found on the CCHBC web site: www.coca-colahbc.com.)

Engaging External Stakeholders

As we manage the environmental impacts of our business, we believe we have a duty to listen to others, to engage in constructive and open dialogue with external stakeholders, and to take others' opinions into account. This includes understanding and addressing the needs of local communities where we operate, as well as maintaining a dialogue with a variety of groups, including environmental organizations and socially responsible investor groups, which engage us on specific environmental issues related to our business.

Internationally, one of our principal mechanisms for stakeholder dialogue is our Environmental Advisory Board (EAB). Formed in 2002, the EAB is comprised of outside experts with senior governmental experience or from 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.

Environmental Advisory Board

The Right Honorable John Gummer, MP Chairman, Sancroft
Professor Daniel Esty Director of the Center for Environmental Law and Policy, Yale University
Ms. Yolanda Kakabadse Executive Vice President, Fundacion Futuro Latinoamerico
Mr. Saburo Kato President, Research Institute for Environment and Society
Dr. Amory Lovins Chief Executive Officer, Rocky Mountain Institute
Ms. Julia Marton-Lefèvre Rector, University for Peace

Environmental Advisory Board (EAB) meetings are held twice a year and are focused on different topics. In 2004, these topics included the following:

Water

The EAB reviewed the Company's draft strategy on water resources and provided important guidance for our Global Water Initiative.

India

The EAB provided invaluable advice about the water issues that emerged in Kerala in 2003 and also how to facilitate a constructive dialogue with community and environmental groups based on greater mutual understanding.

Climate Change

The EAB has informed the Company's evolving energy and climate change strategy and helped us to establish a productive dialogue with environmental groups on phasing out hydrofluorocarbons (HFCs) in our cold-drink equipment.

Future meeting topics will include the development of broader sustainability strategies and reporting and our global sustainable packaging strategy.

Under the chairmanship of Justice B. N. Kirpal, former chief justice of India, Coca-Cola India created its own Environment Advisory Council, comprising some of the country's top professionals and distinguished personalities from different walks of life. The Environment Advisory Council will play an active role to ensure that environment-related activity emerges as a key focus area for the Company in India. The Council will help the Company steer its local environmental plans and policies going forward.

In 2004, we took our stakeholder engagement to the next level with our first **Stakeholder Forum on Water**, which brought together a number of the world's leading experts on water and nongovernmental organization (NGO) representatives and Company senior management as well as Company employees.

Participants included the following:

- William Reilly, former head of the United States Environmental Protection Agency, President and CEO of Aqua International Partners
- Chief Justice B. N. Kirpal, head of Coca-Cola India's Environmental Advisory Board and former Chief Justice of the Supreme Court of India.
- Peter Gleick, Director of the Pacific Institute and global water expert (recently featured in *The Wall Street Journal*)
- Julia Marton-Lefèvre of Leadership for Environment and Development International, a global network of individuals and NGOs committed to sustainable development
- John Gummer, former United Kingdom Environment Minister and Chairman of the Company's Environmental Advisory Board

In addition, the ocean explorer Jean-Michel Cousteau presented during the forum lunch break

OUR ENVIRONMENTAL PERFORMANCE AND PROGRAMS

Scope and Coverage of the Report

Production Data: This report covers production plants owned by the Company and our bottling partners. Unless otherwise noted, offices, laboratories, research and development facilities, and warehouses are not included.

Data contributed by our bottling partners enable us to offer a more comprehensive picture of the environmental impacts of our business system. While we do not have data from all our bottling partners, we include estimates of full system impacts based on the data set available.

Data have been collected from the following:

33	OUT OF	33	principal beverage concentrate and/or syrup manufacturing plants
1	OUT OF	1	facility that manufactures juice concentrates for foodservice
7	OUT OF	9	noncarbonated beverage production facilities
5	OUT OF	5	CCDA Waters L.L.C. plants
719	OUT OF	819	bottling and canning plants throughout the world *(most of which are independent businesses in which we may or may not have a stake)*
765	OUT OF	867	plants worldwide

Collectively, these 765 plants produce 103.8 billion liters of nonalcoholic beverage products, representing 92 percent of the 2004 end-product sales volume of the brands owned by the Company (along with 100 percent of our global concentrate and syrup production). This compares with 685 plants, representing 76 percent of 2003 sales volume, which were covered in the *2003 Environmental Report*.

Data on Fleets and Sales Equipment: Due to our complex distribution structure and significant third-party ownership of vehicles, data on our system's **transport fleet** continues to be difficult to gather. The 2004 data on fleet performance represents 50 percent of total system sales volume, which we have extrapolated for a systemwide estimate.

Since the operation of **sales and marketing equipment** (vending machines and coolers) is generally controlled by our retail customers, we also have limited energy consumption data for this equipment. However, as indicated in our *2003 Environmental Report*, we are able to estimate related environmental impacts using laboratory testing and simulation models.

Performance Targets for Core Operations: Good stewardship includes setting goals for future performance. We have established specific performance targets in each key impact area for all 25 Company-owned concentrate facilities, which represent our core operations. The following table shows results against 2004 targets as well as targets set for 2005.

Beyond the operations directly controlled by the Company, we are also collaborating with bottling partners to establish performance goals in key areas for independently owned facilities. For example, we have collected water use goals for 2005 from 554 bottling facilities, representing 54 percent of our 2004 sales volume.

Environmental Targets and Performance of Concentrate Plants

Key Indicators	Units	2004 Targets	2004 Results	2005 Targets[1]
Water Use Ratio	L/SU	27.69	26.51	25.66
Energy Use Ratio	MJ/SU	13.83	13.25	12.95
Solid Waste Ratio	g/SU	191	171.47	177.72
Recycling	%	80%	77%	81%

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

[1] Many of our concentrate plants will experience processing changes in 2005 and have anticipated corresponding increases in their solid waste generation ratio goals. For example, some concentrate plants are in the process of retiring their stock of stainless-steel drums (in favor of United Nations-certifi ed containers). Disposal of those drums will increase the solid waste generation ratio until that process is completed.

[2] As explained in our 2002 Environmental Report, we measure concentrate and beverage base production by using an internal measure known as a Standard Unit of Concentrate. Please see endnote #30 at www.environmentalreport2002.coca-cola.com/endnotes.

Water

3-Year Trend Average Water Use (liters of water per liter of product)

2004 Average Water Use

2.72

liters of water
per liter of product

Why It Matters

Water is essential for life, and water scarcity is fast becoming one of the world's most pressing global challenges. While the amount of water in the world is finite, during the past century, the world's population has tripled and water use has increased six times. A third of the world's population already lives under water-stressed conditions, and it is predicted that this figure will rise to two-thirds by 2025.

2004 Estimated
Systemwide Water Use

283

billion liters of water

Clean water supplies and sanitation remain major problems in many parts of the world, with 20 percent of the global population lacking access to safe drinking water. Lack of clean water contributes to disease, food insecurity and the inability to generate income. As an important element in the United Nations' (UN's) strategy for reducing global poverty, the UN Millennium Development Goals set the target of reducing by half the number of people without access to safe water and sanitation by 2015.

Although most fresh water is used for agricultural purposes, industries do use a significant amount of water. Water is a shared resource that we need to use responsibly, and the private sector has an important role to play.

Water and Our Business: The Coca-Cola Company is a hydration company. Without water, we have no business. It is the main ingredient in all of our beverages and is itself an important and growing product category. As stated in the Company's *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." In fulfillment of this vision, we are committed to accomplishing the following:

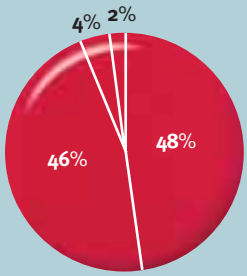
- being the most efficient industrial water user among peer companies;
- help to enable access to clean drinking water in underserved communities where we operate;
- support the protection of watersheds in water-stressed communities where we operate;
- helping mobilize the international community around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

Since our business depends on access to water, water scarcity is a major risk to the sustainable growth of our business, potentially increasing costs and jeopardizing our ability to operate. Our *2004 Annual Report on Form 10-K* lists water quality and quantity as one of our business risks, stating that this vital ingredient is "... a limited natural resource facing unprecedented challenges from over-exploitation, increasing pollution and poor management."

Today, we are transforming the way we, as a business, think about water. We see water as a multidimensional sustainability challenge for both our business and the communities in which we operate. And we are addressing the water management in a holistic manner, reducing our water consumption through water efficiency programs while partnering with communities to help protect local water resources.

Water Use: Our first responsibility is to be as efficient as possible in our use of water. Water is not only a vital ingredient in every beverage we produce; it is also used in the manufacturing process for purification, washing and rinsing bottles, and sanitizing machines.

The water we use comes from various sources, such as groundwater, wells and surface water, including lakes, rivers and oceans, and publicly and privately owned water supply companies.



Water Sources for Bottling Plants in 2004

48% – PUBLICLY OR PRIVATELY OWNED WATER SUPPLY COMPANIES

46% – GROUNDWATER

4% – SURFACE WATER (LAKES, RIVERS, OCEANS)

2% – OTHER

Water usage varies from plant to plant according to various factors, including the type of product made and packaging used. For example, plants that make teas and coffees tend to have higher water use ratios because of the pasteurization process required, while additional water is needed to clean refillable bottles before they can be used again.

The plants covered in this report used a total of 250 billion liters of water to produce approximately 92 billion liters of product. Average water use was 2.72 liters of water per liter of product, a 6 percent improvement in performance versus 2003. This improvement was partly due to an increase in the number of plants providing data on this indicator. Extrapolation to production volumes not directly covered by our report suggests a total water use of approximately 283 billion liters. This represents a reduction of 14 billion liters from 2003.

We have achieved these gains in close cooperation with our bottling partners by assigning water conservation teams in our plants, employing new technologies, and improving water use and reuse practices in all our manufacturing operations.

Wastewater Effluent: Like most manufacturing operations, our plants generate effluent, or wastewater, during the production process. Once it has been used, our policy requires that the wastewater be appropriately treated before it is discharged back into the natural environment, consistent with applicable law, and at least to a level capable of supporting fish life.

Where municipal or other external treatment facilities are not able to meet this standard, the Company requires the construction and use of effluent treatment systems on-site. Routine laboratory tests are required to demonstrate that water treated on-site complies with our standards before being discharged.

To demonstrate the effectiveness of our wastewater treatment, we maintain fish habitats (ponds and aquariums) filled with our treated effluent at more than 188 plants around the world. In some cases, we also reuse treated effluent for irrigation or to wash trucks.

As of the end of 2004, approximately 81 percent of our system's facilities met our effluent 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

Recognizing the critical nature of water to our business, we launched the Coca-Cola Global Water Initiative in 2004—a collaborative project between the Company and our bottling partners to establish a clear road map for the Coca-Cola system on water resource management.

As a first step, in 2004 we initiated a comprehensive **global water risk assessment**—a detailed study of water issues at local, national and global levels—to help us build a clear understanding of the water risks facing our business and communities where we operate. 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.

The global water risk assessment included the following:

A scarcity snapshot: A map of water availability at the sub-national level (using a Geographic Information System) overlaid with the locations of all our plants worldwide, showing the relative production volume and water use ratio for each facility

Comprehensive surveys of each operation, focusing on the following: Water sources, management and quality; wastewater treatment; and community watershed issues, including seasonal fluctuations in water availability and the percentage of people with access to clean water and sanitation

The data are being used to create detailed risk profiles for each level of our business organization. Potential risks fall into six main categories:

Watershed: Sustainability and quality of water resources for the region

Supply Reliability: Institutional capacity to provide water to industrial, agricultural and domestic users

Efficiency: Ability to maximize the available water resources in meeting the needs of all users

Compliance: Compliance with Company and external standards and regulations

Supply Economics: Direct costs of water, including municipal water costs, fees, taxes, treatment, penalties and related loss of production/revenue

Social & Competitive Context: Awareness of water issues and water-related conflicts in a region

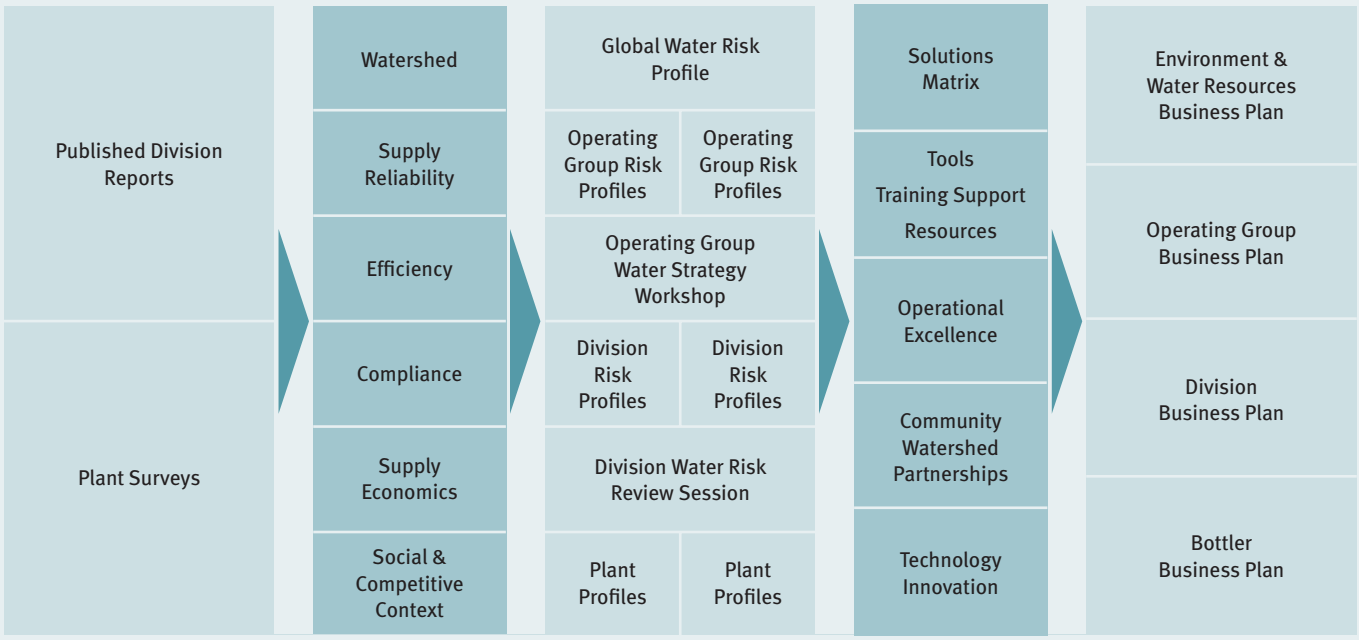
These risk profiles will provide the basis for developing solutions in three key areas:

Operational excellence in efficient water use and wastewater treatment

Technological innovation, with the potential to enhance water management in our operations and in surrounding communities

Community and watershed partnerships, with local and international partners, to address local water resource issues

2005 Water Risk Management Process



Community watershed partnerships are already under way in a number of areas with pressing needs.

CASE STUDY: 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. The partners 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 in one province, and additional water facilities to local schools and clinics in five other provinces, benefiting thousands of local people.

CASE STUDY: Asia—Rebuilding Water and Sanitation Systems

Responding within hours of the devastating Indian Ocean tsunami in December 2004, our system provided assistance in many forms to the affected areas of Indonesia, Sri Lanka, Thailand, the Maldives and India, including the provision of drinking water, trucks and employee volunteers. Total assistance from the system was nearly $20 million, including a $10 million financial commitment from The Coca-Cola Company, an additional $7.3 million from bottling partners and employees, and $2.5 million of in-kind donations.

Mindful of the disaster's impact on basic community infrastructure, the Company earmarked $1 million out of its $10 million financial contribution for medium- to long-term water programs focused on the rehabilitation and sustainable future development of water and sanitation for affected communities.

By partnering with the United Nations Foundation and related UN agencies, and through matched contributions and employee donations, this $1 million contribution was increased to a total investment of $2 million to support long-term water programs across affected countries.

CASE STUDY: United States—Freshwater Biodiversity

Since the 1600s, the vast majority of species extinctions in the United States have occurred in rivers and streams throughout the Southeast. Globally, lakes, rivers, streams and wetlands experience extinction rates five times higher than in terrestrial habitats. Despite this threat, freshwater systems have received little conservation attention.

In response to this gap, in 2004 The Coca-Cola Company announced a three-year $2.05 million grant in support of the World Wildlife Fund's (WWF's) freshwater conservation program. The grant will fund WWF's work to restore five critical freshwater systems in the United States, including a key 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 groundbreaking project will be the most comprehensive synthesis of freshwater biodiversity data available.

Our Company has supported WWF's work in the Southeast United States in a variety of ways. In one example, we partnered with organizations such as WWF, the Corps of Engineers, the Cahaba River Society, the Nature Conservancy and others to remove a small dam on the Cahaba River in Alabama. Known as the Marvel Slab, the dam was built as a logging bridge in the 1960s. The only dam on the 190-mile river, it acted as a barrier between populations of fish, mussels and snails. With the dam's removal in October of 2004, the Cahaba is now the longest free-flowing river in Alabama and one of a handful in the entire Southeast. The success of this project encouraged the Corps of Engineers to partner with other groups on the removal of two dams on the Chattahoochee River, on the border of Alabama and Georgia. Preliminary studies are complete, and in September 2004 local stakeholders purchased the Eagles-Phenix dams, a critical step in the process. Dam removal could occur as early as the fall of 2005.

CASE STUDY: India—Water Stewardship

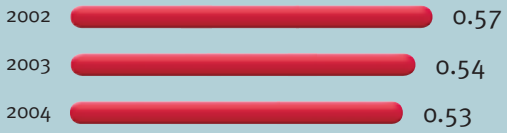
The Indian monsoon brings most of the year's rainfall within just a few months. These seasonal fluctuations can cause significant stress on water systems, local communities and other users of water in the area. Rainwater harvesting accelerates the recharge of this rainwater back into the underground aquifer. The water would otherwise run off the dry ground into the rivers and subsequently the oceans, far from areas where it is most needed.

In addition to establishing rainwater harvesting structures in almost all of our plants in India, the Company has initiated partnerships to set up local rainwater harvesting projects in communities around the country and to mobilize local residents behind these water conservation efforts.

The projects combine modern technology with the reinstatement of traditional methods of water management that had fallen into disuse. For example, in the village of Kaladera near Jaipur, the indigenous *Tanka* system of water collection was replicated from western Rajasthan, which combined both rooftop and surface water harvesting. The construction of recharge shafts in community land to channel collected water to aquifers helps communities toward water sustainability. The project also restored a *bawadi* (village pond), near Jaipur—an approximately 400-year-old historical and traditional water collection and storage building that had fallen into disrepair and was unusable. Both the state and federal governments are anxious to revive indigenous systems, such as the bawadi, as a sustainable way of providing villages with clean water for drinking, irrigation and watering livestock.

Energy and Climate Change

3-Year Trend Average Energy Use (megajoules per liter of product)



2004 Average Energy Use

0.53

megajoules per liter of product

2004 Estimated Systemwide Energy Use

54

billion megajoules of energy

2004 Estimated Direct and Indirect CO_2 Emissions

5.5

million metric tons

Why It Matters

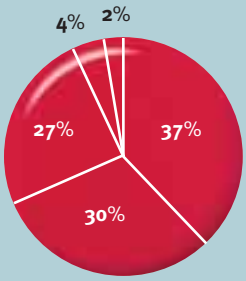
Energy is used every day to heat homes, drive cars and run offices. It is also used to power factories and manufacture consumer goods. The main source of this energy is the burning of fossil fuels—oil, coal and gas—which emit CO_2.

Carbon dioxide (CO_2) is a "greenhouse gas," which means that it contributes to the greenhouse effect of the Earth's atmosphere. The greenhouse effect, which traps heat from the sun and prevents it from escaping back to space is essential to life, keeping the planet 34°C (61°F) warmer than it would otherwise be. However, the increased amount of CO_2 and other greenhouse gases (such as HFCs) in the atmosphere from human activity is strengthening the greenhouse effect, contributing to the Earth's surface temperature becoming even warmer. Global warming, which is predicted to continue over the next century, may contribute to changes in regional climate patterns, including an increase in extreme weather conditions such as droughts, flooding and storms. Climate change is considered to be one of the greatest and most urgent environmental challenges facing the planet. It is therefore important to reduce our impact on the greenhouse effect through such means as reducing CO_2 emissions from energy use through energy-efficiency measures and by transitioning to renewable sources of energy that reduce or eliminate CO_2 emissions.

Energy, Climate Change and Our Business: As indicated in prior reports, investigation into our climate change footprint revealed that the three largest components of our system's impact are sales and marketing equipment, manufacturing, and fleet/transport. The principal emissions impact of these components is based on their energy consumption, as described below.

Manufacturing: Roughly 95 percent of the energy consumed by our system provides the power for our bottling partners' operations, including equipment such as boilers, chillers and air compressors. In many locations, these operations also manufacture packaging, such as polyethylene terephthalate (PET) plastic blow molding.

Plants in our system use a variety of energy sources, depending on specific needs and local conditions (see box on page 27). Energy consumption ratios are a function of specific manufacturing operations. For example, because of pasteurization, juice manufacturing uses more energy than fountain syrup. A variety of local factors, such as climate, plant size, packaging type and use of plastic bottle-molding equipment also affect energy use.



Energy Sources Used by Our Bottling Plants in 2004

37% – ELECTRICITY

30% – NATURAL GAS/PROPANE

27% – FUEL OIL/KEROSENE

4% – COAL

2% – OTHER

In 2004, the plants covered by our reporting consumed 46.7 billion megajoules (MJ)[1] of energy to produce 88.9 billion liters of products. Average energy use was 0.53 MJ per liter of product, representing an approximately 2 percent improvement in energy efficiency versus 2003. Extrapolation of the energy use ratios to production volumes not directly covered by our data suggests an estimated energy consumption of 54 billion MJ in 2004 by our entire business system. This represents an approximate reduction in energy use of 1 billion MJ compared with energy use in 2003.

We estimate that this energy consumption led to direct and indirect emissions of 5.5 million metric tons of CO2, a 3.5 percent decrease of approximately 200,000 metric tons versus 2003.

Distribution and Marketing: Delivering our products to consumers requires distributing packaged product to warehouses and retailers and operating sales and marketing equipment, each of which has energy use and emissions implications. As noted in our *2003 Environmental Report*, we estimate that greenhouse gas emissions related to sales and marketing equipment were almost three times those from system plants, while the emissions from distribution are approximately one-half of those generated in system plants.

As noted above, we do not have complete data on these activities, but the following discussion provides a broad perspective on the environmental impacts of these activities and describes what steps we are taking to mitigate them.

Sales and Marketing Equipment: As previously noted, we estimate that worldwide there are a total of about 9 million coolers, vending machines and fountain dispensers carrying the Coca-Cola trademark. These three main categories of equipment deliver products at the right temperature for consumption directly to consumers. Most of these machines keep products cold, but some also contain hot products, such as ready-to-drink coffee or tea.

The potential impact of this equipment on global warming stems from the refrigerants used and the energy (electricity) consumed in operating them. We are working proactively to address both.

As part of a comprehensive ozone protection strategy launched in 1992, Company policy since 1995 has required that we no longer purchase equipment containing or made with chlorofluorocarbons (CFCs), which are ozone-depleting substances. Since sales and marketing equipment can remain in use for 10 to 20 years, some CFC-containing equipment is still in the market, but we expect it to be completely phased out by 2007.

When the Montreal Protocol was adopted in 1987, hydrofluorocarbons (HFCs) were considered suitable ozone-friendly substitutes for CFCs. However, HFC-134a is now included in the list of greenhouse gases targeted under the 1997 Kyoto Protocol addressing global climate

[1] A joule is a standard international unit of energy. It is equal to the work done to produce the power of one watt for one second. A megajoule (MJ) = 1 million joules.

change. In June 2000, we announced our intention to move away from HFCs for our new cold-drink sales and marketing equipment wherever cost-efficient alternatives are commercially available. This applies to both refrigerants and insulation foam. In addition, we have committed that our equipment will be 40 to 50 percent more energy efficient by 2010 than the equipment in place in 2000.

eKOfreshment

To prepare for this equipment transition, the Company and our supplier partners launched an "eKOfreshment" research and development program to find commercially viable, HFC-free refrigeration technologies. To date, we and our partners have invested more than $30 million in this program. More than 10 different technology options were extensively tested and compared on the basis of environmental performance, regulatory compliance, application capabilities, price and operational costs.

From this research, CO2-based refrigeration emerged as the safest, most reliable and most energy-efficient HFC-free natural alternative technology adaptable to the full range of equipment used in our system. When used in refrigeration, CO2 has a global warming potential of 1 while HFC-134a has a global warming potential of 1300. Initial field tests of equipment using CO2 technology were conducted in Australia, Greece, Japan and Spain. In the summer of 2004, vending machines and coolers using alternative technologies were placed in venues of the Athens 2004 Olympic Games.

Work has now begun with suppliers to build their capacity for cost-effective large-scale production of CO2-based equipment, and with our bottling partners on transitioning steadily to the new system. These factors will affect the precise target date for full commercial roll-out, but we are well on the way to achieving our goal of adopting refrigeration systems that are HFC-free.

Work on eliminating HFCs from insulation foam is even more advanced. As of June 2005, 55 percent of our suppliers have moved to non-HFC alternatives and we are no longer certifying new equipment using HFC insulation.

At the 2004 Refrigerants Naturally Conference, we announced our estimate that the combined effect of these measures will be that new equipment purchased by our system in 2010 will emit 700,000 fewer tons of greenhouse gases than would otherwise have been emitted by staying with models that existed in 2000—roughly equivalent to taking 150,000 cars off the road.

CASE STUDY: United States—Odwalla Green Certificates

Conventional electricity generation is considered the single largest industrial source of air pollution worldwide.[1] One way to reduce the overall environmental impact of electricity generation is for companies to purchase "green energy certificates" that support renewable energy production.

In 2004, Odwalla Inc., a wholly owned subsidiary of The Coca-Cola Company, purchased green energy certificates that will offset more than 600,000 kilowatt-hours of electricity used by its production facility in Dinuba, California. The certificates were purchased from a local renewable energy certificate provider, 3 Phases Energy Services, which purchases the certificates from renewable energy generators, enabling them to make long-term investments in new generation projects. This renewable energy is added to the electricity grid, displacing electricity produced by conventional fuels such as coal, nuclear or gas.

Odwalla is a member of the U.S. Environmental Protection Agency's Green Power Partnership, a voluntary program designed to assist the move toward more sustainable sources of energy by encouraging businesses and other organizations to use green power.

[1] Source: EPA/Odwalla websites

"Refrigerants, Naturally" Conference

In June 2004, The Coca-Cola Company co-hosted a conference in Brussels, together with Unilever and McDonald's Corporation, to unveil our progress so far in developing new environmentally friendly cooling technologies, encouraging the wider industry to follow suit, in support of a more sustainable future for commercial refrigeration.

The initiative was supported by both the United Nations Environment Programme and Greenpeace International, who attended the conference along with numerous representatives from the food and beverage industry, suppliers, NGOs and governments.

"Greenpeace welcomes the commitments made by Unilever, Coca-Cola and McDonald's. We call on other companies in their sector to follow suit. Thank you for a job well done so far."

GERD LEIPOLD
EXECUTIVE DIRECTOR, GREENPEACE INTERNATIONAL

"As market leaders in their respective areas, Coca-Cola, Unilever and McDonald's are taking an important step in addressing environmental issues by simultaneously protecting the ozone layer and safeguarding the global climate system in an integrated way."

RAJENDRA SHENDE
HEAD OF ENERGY AND OZONACTION BRANCH
UNITED NATIONS ENVIRONMENT PROGRAMME

Fleets/Transport

As noted earlier, it is difficult to determine the number of vehicles in our distribution network, but we have consistently relied on an estimate of approximately 180,000. Road transportation is the predominant delivery mode for our finished products, although the delivery of concentrate from The Coca-Cola Company to our bottling partners depends substantially on marine transport.

Environmental impacts result from exhaust emissions and from maintenance that is usually carried out at system facilities or by third-party specialists. The system is driven by the need to deliver products to consumers as efficiently as possible. Minimizing fuel use benefits our cost structure as well as the environment.

Our 2004 fuel economy ratio suggests that, on average, our system's transportation fleet consumes approximately 10.5 liters of diesel per kiloliter of product delivered. In 2004, we estimate that greenhouse gas emissions from our fleet were approximately 2.85 million metric tons. This represents a reduction in fuel efficiency. In 2003, our system's fleet ratio was approximately 7 liters of diesel per kiloliter. Our estimated greenhouse emissions were 1.8 million metric tons. The increase in gas emissions from 2003 to 2004 is based on numerous factors. One factor is the expansion of the data set to include four entries by high-fuel-consuming fleets. With these additional fleets, however, all of our geographic divisions are represented in 2004 data rather than just 17 out of the 21 organizations in the 2003 data set.

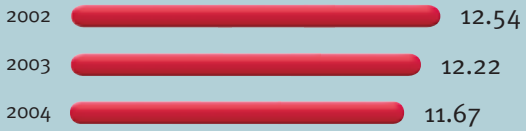
CASE STUDY: Brazil—Alternative Fuel

In 2004, The Coca-Cola Company and our bottling partners launched an innovative project in Brazil to reduce CO_2 emissions from our fleet of delivery vehicles through the use of alternative fuels.

Our bottling partner in São Paolo—Companhia de Bebidas Ipiranga—is collaborating with São Paulo University on a "Brazilian Biodiesel Project," in which a fleet of 140 trucks at its São Paulo plant are running on a fuel that is 5 percent "biodiesel" (made of castor beans and soybeans). The test is being closely monitored by the government and automobile industry to assess the feasibility of the technology for future use. Of these 140 trucks, 13 are equipped with emission-monitoring devices to measure the improvements.

Solid Waste

3-Year Trend Average Waste Generation (grams per liter of product)



2004 Average Solid Waste Created from Manufacturing

11.67

grams per liter of product

2004 Estimated Systemwide Solid Waste Generation from Manufacturing

1.22

million metric tons

2004 Average Recycling Rate from Manufacturing

76%

Why It Matters

The issue of waste generation and management is a growing global concern. Increasing urbanization and industrial development is rapidly increasing the diversity and quantity of waste produced. Improperly managed solid waste poses a health and environmental risk.

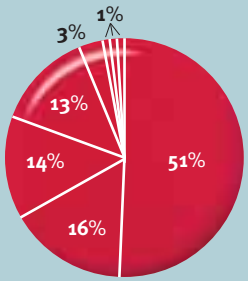
Solid Waste and Our Business

Waste in Production: Approximately 98 percent of our system's solid waste from production is generated during the bottling process. Production waste includes materials such as the following:

- empty ingredient containers, such as drums, pails, 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 holds palletized products together
- biosolids from water and wastewater treatment plants
- glass or plastic from damaged bottles
- wood from damaged pallets
- ingredient waste, such as tea leaves

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. Extrapolation of waste ratios 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 tons less waste for disposal from manufacturing operations in 2004 than in 2003.

As with energy consumption, the range of solid waste production ratios throughout our system varies according to product and packaging mixes (e.g., tea leaves from tea plants, and coffee grounds).



Global Primary Packaging in 2004

- 51% – PLASTIC BOTTLES – NR
- 16% – ALUMINUM
- 14% – GLASS – REF
- 13% – FOODSERVICE[1]
- 3% – OTHER[2]
- 1% – GLASS – NR
- 1% – STEEL
- 1% – PLASTIC BOTTLES – REF

Packaging: Packaging is a critical part of the network that delivers products to consumers and is an essential feature of public health and modern lifestyle. 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 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.

In comparison to many consumer product companies, the composition of packaging materials used by our system is relatively homogeneous. PET plastic, aluminum, glass and corrugated materials make up over 90 percent of the materials we put into the marketplace, and even when secondary and transport packaging are included (paperboard, reusable plastic crates and film), our total packaging stream is fairly consistent. Most of the materials can be recycled and, in many markets, represent the most widely recovered and reused consumer product packages.

Building a Global Sustainable Packaging Strategy: Recognizing that the most effective solutions for improving the environmental performance of beverage packaging are likely to be based on local strategies that address specific needs and circumstances, the Company has addressed environmental packaging issues primarily on a market-by-market basis. While numerous advances have been made, this approach has limited our ability to effectively share innovations globally or to provide meaningful measures of our total global environmental packaging performance and impact.

In 2004, the Company launched a new initiative to develop a common, worldwide framework for managing environmental packaging issues and providing global leadership on sustainable beverage packaging. Led by an international cross-functional working team, we are examining the financial and environmental impacts of our packages throughout their entire lifecycle—from development and design, to manufacturing and distribution, to customer use and disposal or reuse—and establishing mechanisms to better identify and capitalize on sustainable packaging opportunities to grow our business.

[1] Foodservice includes bag-in-box, tanks, drums, bags for fountain products

[2] "Other" includes flexible laminates and cartons

Smart Design: Environmental integrity in packaging begins with design. We systematically integrate environmental criteria into our packaging development and commercialization process to deliver innovations that meet consumer needs while sustaining or improving the environmental performance of a package throughout the entire lifecycle.

Recent eco-design efforts have focused primarily on our largest consumer packaging stream—PET. In Europe, Japan and the United States, we are working with industry and regulatory authorities to establish clearer "design-for-recycling" guidelines for packaging professionals. We also continue to make recycling of our PET plastic bottles easier and more efficient by using recycling-friendly caps, labels, adhesives and colors.

In addition to improving the environmental performance of existing packaging, we are also pursuing more dramatic technological innovations, such as renewable plastic resins made from plant starch. We also continue to work with foodservice partners to pilot renewable plastic cup technology.

Implementing Smart Design: Dasani Packaging

Cap: Use materials that are compatible with recycling systems and redesign cap to remove liner

Material: Identify type actively recycled: PET

Color: Design color that can be used by recycling and markets: light blue

Label: Select specific recycling-friendly materials, structure, inks and adhesives

Weight: Minimize the amount of raw materials required to produce package while maintaining quality: down nearly 8% since introduction

Reuse: Use recycled content material to reduce use of virgin material: +/- 10% post-consumer recycled materials

Maximizing Resource Efficiency: Ultra Glass Technology

50% stronger
20% lighter
14% greater efficiency in production
(same amount of product)

Resource Efficiency: Our system's efforts to reduce the packaging raw materials and energy inputs required to manufacture and deliver a consumer beverage are persistent and extensive. Most advances in resource efficiency take place in small, incremental steps that often go unnoticed by consumers. Yet these small steps, coupled with the occasional dramatic innovation, amount to significant reductions in the environmental and economic impact of our packaging. An example of this is the development of a glass design technology called Ultra that makes our glass contour bottle 50 percent stronger, 20 percent lighter and 10 percent less expensive than earlier models.

In optimizing the resource efficiency of our primary packaging, we are careful to ensure that our quality standards are met or exceeded and that waste is not simply transferred to secondary packaging.

Maximizing Reuse: Perhaps the greatest influence on perceptions of our environmental impact is what happens to our packaging after a beverage is consumed. While beverage containers represent only one small part of the broader solid waste and litter challenges facing communities today, their visibility ensures they remain at the forefront of discussion. This is a challenge we accept, knowing it gives us an opportunity to help advance sustainable solutions to complex environmental problems facing the communities we serve.

In countries around the world, we are actively working to advance public policies and practices designed to encourage greater and more efficient use of local recovery programs. Differing local market conditions require diverse combinations of recovery practices to achieve the most ecologically and economically sound results.

A package or material is not recycled until it is used as a raw material to make a new product or service. We support recycling initiatives and waste-recovery efforts to minimize the environmental impact of packaging after use. Additionally, our system has played a leading role in the development and commercialization of recycled PET plastic technology for bottle-to-bottle use globally. In 1991, the Coca-Cola system, along with its supplier, was the first in the beverage industry to commercialize a PET beverage container made with post-consumer recycled content. We continue to lead the industry with our use of recycled resin for bottles in a dozen markets. By the end of 2005, we expect to have expanded this number to 17 markets around the world.

Even in markets with excellent recovery and reuse infrastructures, the issue of litter often remains. Whether deliberate or accidental, all forms of litter (newspapers, car tires, fishing debris, beverage containers, etc.) can negatively impact local ecosystems, economies, and public health and safety. Effective litter abatement programs include education, collection efforts, proper local recycling and litter collection bins, and enforcement of local ordinances. Our system supports numerous litter education and prevention organizations around the world, such as Keep America Beautiful, Japan “Love the Earth” Cleanup, and Collect-a-Can in South Africa. We are also a major sponsor of the Ocean Conservancy’s International Coastal Cleanup, the world’s largest annual one-day volunteer event to protect clean waterways.

CASE STUDY: Japan—Recycling Center

In Japan, one of the world’s most sophisticated consumer markets, vending machines are a highly popular way of purchasing both hot and cold beverages. Approximately 980,000 vending machines across the country sell products of The Coca-Cola Company.

In the 1970s, Coca-Cola pioneered the industry practice of placing collection boxes next to vending machines and actively encouraging consumers to use them through advertising and education campaigns.

In 2003, Coca-Cola West Japan introduced the latest in a long line of innovations designed to encourage consumer recycling in the country: a recycling center in the Kita-Kyusyu Eco-town, where used packaging taken from the collection boxes is processed and prepared for shipment to material recyclers. The system supports the recycling industry by reducing their costs. Up to 40 tons a day (10,000 tons a year) of plastic bottles, aluminum and steel cans, and other packaging can be sorted and compressed and sent on to recyclers. During 2004, 8,400 tons of packaging were processed by the center.

Stakeholder Leadership: Our system supports a wide array of initiatives around the world aimed at advancing our understanding of environmental packaging issues and fostering innovative solutions through constructive dialogue. Through these initiatives, we support comprehensive, cost-effective solutions to local solid waste management issues that include the entire packaging supply chain and broader municipal solid waste stream. Examples of those initiatives include the following:

- **EUROPEN:** the main pan-European organization dedicated to issues concerning packaging and the environment, with membership open to all partners in the packaging chain
- **Beverage Industry Environment Council:** Industry association focused on creating sustainable solutions for beverage packaging in Australia
- **Beverage Packaging Environment Council:** Consortium of leading beverage companies focused on increasing the recovery of beverage containers in North America

CASE STUDY: AUSTRALIA—PUBLIC PLACE RECYCLING

In 1991, Coca-Cola Amatil (CCA), our bottler in Australia, was the first company in the world to package beverages in PET plastic bottles using food-grade recycled content. Since then, recycling has grown dramatically, with neighborhood collection systems in Australia now taking in more than 665,000 tons of material each year. CCA estimates that this represents more than 70 percent of packaging from beverages consumed at home.

With the success of packaging recovery over the past 10 years, CCA will turn its focus over the next five years to increasing Public Place Recycling (PPR) – the recovery and recycling of material from public places. Approximately half of all beverages in Australia are consumed away from home, with very little currently being collected for reprocessing. CCA is committed to recovering beverage packaging disposed of in public places and removing it from the general waste stream.

As a first step, in 2004 CCA launched partnerships with 50 local councils, a number of popular public venues and food retail outlets, and the Beverage Industry Environment Council (BIEC) to set up and run public place recycling trial programs in selected areas around the country. CCA is a founding member of BIEC, which conducts anti-litter and recycling campaigns around the country. This partnership approach is designed to ensure the sustainability of the programs.

PERFORMANCE DATA: IMPACT BY TYPE OF PRODUCTION

Water

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

Energy

OPERATION	ENERGY USE RATIO			
	2004	2003	2002	% Change (2004 vs. 2003)
Concentrate & Beverage Base	**0.007**	0.007	0.007	—
	(megajoules per liter of finished product equivalent)			
Bottle/Can	**0.52**	0.54	0.56	(4)%
	(megajoules per liter of finished product)			
Juices	**1.04**	0.81	0.86	22 %
	(megajoules per liter of juice)			
Fountain Syrup	**0.30**	0.34	0.38	(12)%
	(megajoules per liter of syrup)			
Packaged Water*	**0.28**	0.31	—	(10)%
	(megajoules per liter of finished product)			

Solid Waste

OPERATION	SOLID WASTE RATIO			
	2004	2003	2002	% Change (2004 vs. 2003)
Concentrate & Beverage Base	**0.086**	0.1	0.1	–
	(grams per liter of finished product equivalent)			
Bottle/Can	**11.93**	12.49	12.74	(4)%
	(grams per liter of finished product)			
Juices	**7.51**	8.13	9.79	(8)%
	(grams per liter of juice)			
Fountain Syrup	**3.31**	3.28	2.74	1 %
	(grams per liter of syrup)			
Packaged Water*	**3.46**	2.85	—	21 %
	(grams per liter of finished product)			

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

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 are also set on the local level.

COMPANY-OWNED OPERATIONS			
Impact	Indicator	Target	Date
Environmental impact of The Coca-Cola Company's core operations: concentrate and beverage base production	Water use ratio Energy use ratio Solid waste ratio Recycling	25.66 L/SU 12.95 MJ/SU 177.72 g/SU 81%	2005
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
g = grams, L = liters, MJ = megajoules, SU = standard unit			

FINAL VERIFICATION STATEMENT

Verification Objectives and Scope

URS Verification Ltd (URSVL) was commissioned by The Coca-Cola Company ("the company") to provide third-party verification of environmental data and claims presented in its 2004 Environmental Report ("the report").

Key objectives of the verification included reviewing the:

- accuracy of the environmental information reported; and
- effectiveness of data collection, collation and validation systems.

The scope of the verification work this year did not include reviewing the effectiveness of new initiatives or management controls of the company and its bottlers, which were assessed last year.

Responsibilities of Directors and Verifiers

The information contained in The Coca-Cola Company 2004 Environmental Report is the sole responsibility of the company. This verification statement represents the independent opinion of URSVL. The URSVL project team members have not been involved in the development of the report or associated environmental programs, data and information collection systems.

Verification Method

URSVL environmental auditors conducted the verification process following the general principles of environmental auditing and audit procedures as contained within the international standard, ISO 19011. We have based our approach on certain principles of the Global Reporting Initiative and the AA1000 assurance framework.

The URSVL process has involved:

- reviewing the report to identify information in the data and text that constitute claims or assertions made by the company;
- reviewing the supporting evidence to determine how accurate and appropriate each identified claim or assertion is;
- reviewing data management processes and validation mechanisms for environmental performance data, to assess how robust they are and assess the potential for errors within the 2004 data set;
- interviewing by telephone five individuals from the corporate environmental and communication teams to identify changes to environmental arrangements and discuss the reporting process; and
- interviewing by telephone the individuals responsible for data collection and validation within two of the five strategic business units (SBUs), Africa and Asia.

Opinion

Report Context: It is encouraging to note that the company continues its commitment to improving environmental performance as well as engaging and encouraging the assistance of its bottlers in this respect. The company has continued to formalise its environmental governance programs. We understand this has helped to deliver many initiatives and positive outcomes discussed in the report. It is also clear that there have been a number of new strategic initiatives in relation to performance and reporting.

In relation to suggestions made by URSVL last year associated with the reporting processes, the company has:

- implemented a new level of structural responsibility for Environmental Performance Measurement (EPM) data collection and validation; and
- included targets for some key environmental performance metrics in this report.

Report Data: Overall, the data collection and collation processes are considered to be generally effective and when aggregated provide data which is expected to be representative of performance at company level.

As a result of clear corporate commitment and SBU engagement there have been significant increases in participation in the EPM data collection processes from the system (Coca Cola's bottlers). This has reduced the level of data extrapolation and therefore provides greater certainty of the overall system environmental impact.

The involvement of the SBUs in the data collection process is an important development. We note that those involved in this new initiative have a strong commitment to improving the integrity of the data collation and validation processes. Although too early to show improvements for the 2004 data set there is potential for improvements in the accuracy future data sets.

Some minor data collation issues were identified, but are not believed to affect the reported data. Reducing the complexity of the data aggregation process may assist in preventing errors and streamlining the data collection program in future. Furthermore, documented guidance of the aggregation methodology may aid the robustness, and assist in the validation, of data.

Report Text:In URSVL's opinion, the text presented in this report reflects the company's significant environmental impacts and covers key significant initiatives associated with environmental management and performance. The report focuses on positive areas of the company's performance although there are references to some of the environmental challenges encountered during the reporting year.

URSVL has reviewed supporting evidence and considers that the majority of claims made in the main sections of the report are presented in a manner that reflects the evidence in an accurate and balanced manner. With respect to the discussions relating to the activities and impacts in India, there is strong evidence to support Coca Cola's position as stated in the report. However, the situation is complex and there remains some level of uncertainty as some of the regulatory and stakeholder issues are in the process of being resolved.

The level of supporting evidence was generally lower for case study information. In addition, in a number of cases, where evidence has been assessed by URSVL, it has been insufficient to enable the required level of assurance for complete verification

Suggestions for Improvements

Based on the above opinion and scope of work the following suggestions should enable continued improvement in the company's environmental reporting:

- Streamline and document the data aggregation process to increase robustness;
- Consider further how the report text and associated evidence can be managed and controlled to increase the efficiency of the reporting process and level of validation;
- Continue to work with the SBUs to address the challenges that have been identified during this year's data collection process;
- Provide a more even balance between positive achievements with challenges faced during the year;
- Continue to develop stakeholder engagement processes.

David Westwood
Director
For and on behalf of URS Verification Ltd
London, September 2005

URSVL has carried out its services by checking samples of data, information and documents which have been made available to URSVL by The Coca Cola Company. Accordingly, URSVL has not checked or reviewed all of the company's data, information and documents. The verification statement provided herein by URSVL is not intended to be used as advice or as the basis for any decisions, including, without limitation, financial or investment decisions.

19 September 2005

An online version of this report can be found at www.environmentalreport.coca-cola.com.

Environmental Statement: A healthy environment, locally and globally, is vital to our business. We view protection of the environment as a journey, not a destination. We began that journey more than 100 years ago and it continues today. Each employee of The Coca-Cola Company has responsibility for stewardship of our natural resources and must strive to conduct business in ways that protect and preserve the environment. Our employees, business partners, suppliers and consumers must all work together to continuously find innovative ways to foster the efficient use of natural resources, prevention of waste and sound management of water. Doing so not only benefits the environment, it makes good business sense.

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 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.

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