

June 20, 2014

## **TCCC SUSTAINABLE AGRICULTURAL GUIDING PRINCIPLES**

Agriculture is at the heart of the sustainability challenge. Population growth and increasing standards of living create additional demand for food and agricultural products. In an era marked by scarcer resources, greater demand, and price volatility, water, food and energy demands increasingly intersect with businesses, communities and farmers.

A healthy agricultural supply chain is essential to the well-being of the communities in which we operate, and is critical to the success of our business. Our approach to sustainable agriculture is founded on principles to protect the environment, uphold human and workplace rights and help build more sustainable communities. We seek to mitigate business risk by addressing challenges to the availability, quality and safety of agricultural ingredients; to meet consumer demand for products that align with a healthy and sustainable lifestyle; and to balance the costs of sustainability by leveraging relationships and initiating new opportunities as they make sense. Central to this approach is The Coca-Cola Company's overall sustainability aspiration to grow our business by making a positive difference in the communities we serve.

To meet the expectations of our consumers, customers, other stakeholders and enable the continued growth of the Company, it is imperative we maintain a secure, sustainable supply of the agricultural ingredients that are essential to our brands. To this end, The Coca-Cola Company has developed a set of Sustainable Agriculture Guiding Principles (SAGP), which set expectations of our agricultural ingredient suppliers, to address sustainability challenges specific to agriculture. We believe the SAGP provide a mutually beneficial foundation for the Company and its partners in the agricultural supply chain.

Currently, suppliers to The Coca-Cola Company and those authorized by The Coca-Cola Company are required to meet our Supplier Guiding Principles (SGP), which communicate our values and expectations of compliance with all applicable laws and emphasize the importance of responsible workplace practices that respect human rights. The Sustainable Agriculture Guiding Principles expand on the SGP and provide guidance to our suppliers of agricultural ingredients. These Principles will establish the framework for defining our commitment to sustainable sourcing and will be integrated into internal governance routines and procurement processes.

The Coca-Cola Company recognizes that sustainable sourcing poses new challenges and we intend to work collaboratively with our suppliers on the journey ahead to ensure that all agricultural ingredients are sourced sustainably. We encourage all our suppliers to work continuously towards more sustainable practices and to uphold the following Sustainable Agriculture Guiding Principles.

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## HUMAN AND WORKPLACE RIGHTS

*Human and Workplace Rights apply to all employees involved in the production of agricultural ingredients supplied to TCCC. These Rights are to be respected by all direct suppliers, intermediate processors, producing farms and the employer of workers at the farm, even if the employer is not the farm. Small family operations that hire or contract for outside employees (including for harvesting) must be in compliance with all mandatory criteria and their national labor legislation, and the standards of the International Labour Organization (ILO)<sup>1</sup>*

1. Freedom of Association and Collective Bargaining: Respect employees' right to form, join, or not to join a labor union without fear of reprisal, intimidation, or harassment. Where employees are represented by a legally recognized union, establish a constructive dialogue with their freely chosen representatives and bargain in good faith with such representatives.
2. Prohibit Child Labor, Forced Labor and Abuse of Labor: Adhere to minimum age provisions of applicable laws and regulations. Prohibit the use of all forms of forced labor, including prison labor, indentured labor, bonded labor, military labor, slave labor or any form of human trafficking.
3. Eliminate Discrimination: Maintain workplaces that are free from discrimination or physical or verbal harassment. The basis for recruitment, placement, training, compensation, and advancement should be qualifications, performance, skills and experience.
4. Work Hours and Wages: Compensate employees relative to the industry and local labor market. Operate in full compliance with applicable wage, work hours, overtime and benefits laws and offer employees opportunities to develop their skills and capabilities, and provide advancement opportunities where possible.
5. Provide a Safe and Healthy Workplace: Provide a secure, safe and healthy workplace. Maintain a productive workplace by minimizing the risk of accidents, injury and exposure to health risks.
6. Community and Traditional Rights: Recognize and safeguard the rights of communities and traditional peoples to maintain access to land and natural resources. Require respect for and prohibit the violation of the land rights of individuals and communities. Maintain positive community relations and contribute to local economic development.

<sup>1</sup><http://www.ilo.org>

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## ENVIRONMENT

7. Water Management: Ensure long-term sustainability of water resources in balance with community and ecosystem needs by maximizing water use efficiency and minimizing water quality impacts from wastewater discharges and erosion and nutrient/agrochemical runoff.

8. Energy Management and Climate Protection: Maximize energy use efficiency, seek to maximize the use of renewable energy as available and cost effective, and reduce greenhouse gas emissions from agricultural practices.

9. Conservation of Natural Habitats and Ecosystems: Promote and protect natural habitats and biodiversity through the conservation of natural flora and fauna and the maintenance of important ecosystem services such as natural pest and disease controls, pollination, and freshwater flows. Promote sustainable forest management and help protect woodlands from deforestation and illegal harvesting.

10. Soil Management: Maintain or improve soils by preventing degradation, reducing runoff, minimizing related greenhouse gas emissions and protecting soil biodiversity.

11. Crop Protection: Follow national and/or local regulations and label requirements for safe and proper use of all agrochemicals. Use Integrated Pest Management techniques to protect crops from pests, weeds, and disease whenever possible.

## MANAGEMENT SYSTEMS

12. Harvest and Postharvest Handling: Manage harvest and postharvest processes effectively to minimize losses. Ensure the quality and safety of agricultural products by following Good Agricultural Practices<sup>2</sup>.

13. Reproductive Material Identity, Selection and Handling: Ensure crop selection is suited to local growing conditions (climate, water availability, pest pressure, etc.) to help ensure sustainable harvests over time. Know the crop species under cultivation and variety, if applicable.

14. Management Systems, Record Keeping and Transparency: Develop a system to manage objectives, procedures, and farm-level practices. Maintain records of practices and procedures, as well as proof of compliance with applicable laws and regulations. Increase transparency throughout the supply chain and work collaboratively to adopt and broaden sustainable practices. Set targets for improvement, provide support to deliver, and track performance over time.

15. Business Integrity: Conduct business with integrity, respecting relevant laws and prohibiting bribes and fraudulent practices.

<sup>2</sup>FAO Good Agricultural Practices (<http://www.fao.org/prods/gap/>)