

Operational Boundary

The Coca-Cola global business system is composed of The Coca-Cola Company (TCCC) and approximately 200 bottling partners.

TCCC markets, manufactures and sells beverage concentrates and syrups and finished sparkling soft drinks and other beverages. Our bottling partners are independent bottling operations authorized through bottler's agreements to prepare, package, distribute and sell finished beverages to customers and/or consumers. TCCC and its bottling partners together are collectively known as The Coca-Cola system (TCCS), or simply "system."

Although the system is not a single entity from a legal or managerial perspective, TCCC strives to positively influence environmental activities and policies throughout the bottling system and to become more transparent by reporting information from both company-owned operations and the broader franchise system. Contract manufacturers (or co-packers) are also commissioned to manufacture and distribute Coca-Cola brands. Environmental data is not typically tracked for non-strategic co-packers, emissions from their activities are estimated based on regional average emissions intensities (grams CO₂ per liter produced/delivered) and sales volume. While co-packers may manufacture products that are unaffiliated with TCCC in their plants, only the environmental impacts associated with TCCC and its brands are accounted for in the GHG inventory.

TCCC has implemented a greenhouse gas (GHG) emissions inventory calculation methodology that is based on the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard - Revised Edition, March 2004 (GHG Protocol), the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the Beverage Industry Environmental Roundtable's Beverage Industry Sector Guidance for Greenhouse Gas Reporting, July 2019 (BIER Guidance).

For the purposes of reporting in adherence with the GHG Protocol, TCCC has selected an organizational boundary where it has operational control. The company uses this method to distinguish scope 1 and scope 2 emissions for TCCC consolidated and equity owned operations and scope 3 emissions resulting from bottling partner operations. From this perspective, direct and indirect emissions are included in TCCC scope 1 and 2 emissions from bottling operations that are company-owned subsidiaries or operating units such as, Bottling Investment Group (BIG) and Global Ventures.

The Greenhouse Gas Protocol released an amendment to the scope 2 guidance (GHG Protocol Scope 2 Guidance - An amendment to the GHG Protocol Corporate Standard) which requires reporting emissions using two different methods. In accordance with this requirement, TCCC reports both location and market-based emissions. In instances where market-based emission factor information is not applicable or available, data from the location-based method will be used to represent emissions, as per GHG Protocol guidance.

While TCCC strives to align with the GHG emission protocol, it has implemented some deviations in reporting boundaries, scoping and accounting methodology. These deviations are described within this document.

The Coca-Cola Company began working with its bottling partners a decade ago on plans to evolve the model for our franchise bottling system to serve the changing customer and consumer landscape, with a focus on creating stronger system alignment. To implement these plans, The Coca-Cola Company has worked with bottling partners around the world. Implementation of the new partnership model has led to change in TCCC's control or ownership stake in certain production, manufacturing and distribution operations through acquisitions or sales, and divestiture of equity investments in selected operations. The operational boundary method was chosen to simplify environmental performance reporting, limiting the scope to operations where TCCC has the full authority to introduce and implement its operating policies. However, our GHG inventory also strives to account for the entire system, including independent franchise facilities where TCCC does not have operational control but does influence operational improvements (though for some portions of the business missing data must be extrapolated for or listed as an exclusion below). TCCC relies on bottling partners for a significant portion of business performance.

Emissions Boundary

In accordance with the GHG Protocol, TCCC reports emissions for relevant Kyoto Protocol gases if material. According to the GHG Protocol, information is considered to be material if, by its inclusion or exclusion, it can be seen to influence any decisions or actions taken by users of it. TCCC has set a materiality threshold of five percent of the sum of Scope 1, 2 and 3 emissions. However, certain emissions that are less than this materiality threshold are estimated and included in the inventory given stakeholder expectations, such as business travel.

- TCCC provides a reasonable time period before including newly acquired facilities in the organizational boundary. This allows for the implementation of GHG data collection policies and procedures. In general, newly acquired facility emissions will be included within the first two calendar years that operational GHG data are available. An exception has been granted for our January 2019 acquisition of Costa Limited, which includes retail and roasteries, in which an additional two years have been allowed due to the fundamental difference in the business model.
- TCCC is not aware of any sources of perfluorocarbon (PFC) or sulfur hexafluoride (SF6) emissions within its operational control and does not include these in the inventory.
- Scope 1 consists of direct emissions from fuel combustion at company-owned and controlled stationary and mobile sources encompassing manufacturing facilities, distribution vehicles and corporate aircraft, and emissions from refrigerant losses in company-owned cold drink equipment.
- Scope 2 consists of indirect emissions from purchased energy at company-owned/controlled manufacturing facilities.
- CO₂ emissions from biogenic sources are excluded from the GHG inventory, however, CH₄ and N₂O are included.
- Emissions from independent bottling partners' activities are recorded as Scope 3 emissions. Additionally, electricity use in company-owned cold drink equipment, is included in Scope 3, as the operations of this equipment are considered outside of company control, as well as refrigerant losses and electricity usage in bottler-owned cold drink equipment. This is reported under Processing of Sold Products. Details are provided in the table below.
- TCCC also calculates Scope 3 emissions associated with key packaging and ingredients, to estimate emissions from Purchased Goods & Services.
- Emissions from Capital Goods have been deemed material in a recent materiality assessment and TCCC is working to include these emissions in its future inventory.

- Emissions from Waste Generated in Operations and Employee Commuting have also been estimated as part of an exercise to determine materiality, using baseline 2015 data. Each of these items has fallen below the materiality threshold and has therefore been deemed not relevant to Scope 3 reporting.
- Emissions from Upstream Leased Assets, Downstream Leased Assets, and Investments are not relevant to the Company.
- Emissions from the usage of our cold drink equipment, both Company-owned and bottler-owned are not reported under Use of Sold Products, but rather under Processing of Sold Products.
- Emissions from End-of-Life Treatment of Sold Products are included in the calculation methodology of packaging under Purchased Goods and Services.

Table 1: TCCC Greenhouse Gas Emissions, Method, Factors and Exclusions

	<i>Methodology</i>	<i>Emissions Factors and Global Warming Potentials</i>	<i>Exclusions</i>
Scope 1 (Manufacturing)	Manufacturing emissions from direct operations arise from TCCC-owned/controlled activities that emit GHGs from the combustion of fuels. TCCC currently tracks the following fuels: light fuel oil (LFO, diesel, distillate fuel oil), heavy fuel oil (HFO, residual fuel oil), kerosene, propane (LPG), natural gas, coal, landfill gas, biofuels, biomass, wastewater treatment plant gas, and other fuel sources specified by the facility. CO ₂ loss during production is derived from the CO ₂ purchased as an ingredient for our products. Therefore, this item is captured in Scope 3, Purchased Goods & Services, which includes the full volume of our purchased CO ₂ in 2022.	Fuel combustion Intergovernmental Panel on Climate Change (IPCC) Guidelines for National Greenhouse Gas Inventories (2013) IPCC, 2014 "Fifth Assessment Report" (global warming potential 100 years)	- Emissions from standalone (i.e., not co-located) warehouses, distribution centers, and offices (based on emissions being lower than threshold of five percent of total Scope 1, 2 and 3 emissions) - Costa Roasteries - Refrigerant losses from facilities
Scope 1 (Fleet)	Fleet emissions from direct operations result from the combustion of fuels in company-owned and company leased distribution vehicles. Fuel use by the distribution fleet is determined from purchasing data collected. Fleet fuel data is collected by fuel type and mobile emissions factors are used to calculate emissions. Where data is unavailable or incomplete, average emissions intensities (grams CO ₂ per liter produced/delivered) and sales volume for the organizational unit are used to extrapolate emissions for the distribution fleets.	IPCC for National Greenhouse Gas Inventories (2006) IPCC, 2007 "Fourth Assessment Report" (global warming potential 100 years) for heating values; IPCC for National Greenhouse Gas Inventories (2013) IPCC, 2014 "Fifth Assessment Report"	Fleet emissions from Global Ventures, CHI, fairlife and BODYARMOR are excluded.
Scope 1 (Immediate)	TCCC recognizes a default refrigerant annual loss rate of 1.5 percent of charge.	Scope 1: IPCC, 2014 "Fifth	Hot and cold drink equipment related to

	Methodology	Emissions Factors and Global Warming Potentials	Exclusions
Consumption Equipment - Refrigerant losses from Company-owned equipment) Scope 3 "Processing of Sold Products" (Immediate Consumption Equipment - Electricity use in Company-owned equipment, and Refrigerant losses and Electricity use in Bottler-owned equipment)	TCCC cold drink equipment (coolers, vending machines and fountain dispensers) throughout its sales territories range from Countertop, 1 Door (100-300L), 1 Door (>300L), 2 Doors, 3 Doors, 4 Doors, Chest (Reach In), Open (Air Curtain), Open Top, and Specialty. Refrigerants include CFC, HFC, HCFC, CO ₂ . The size of vending machines can vary from a 0-300 can machine, 300-500 cans, 500+ cans, and others. The breakdown of the refrigerant type used within our fleet of coolers assumed in our calculations is based on 2010 data. Given our progress in introducing HFC-free and CO ₂ equipment, this breakdown may have changed. The cold drink equipment inventory is estimated through internal processes administered by Corporate departments including Commercial Leadership, Marketing and Finance. The commercial data used for units of cold drink equipment are requested quarterly from our bottling system for the top markets. Results from this survey account for approximately 85% of total sales volume. The remaining 15% is calculated using production volumes of each country to allocate emissions. The data also includes a breakdown of the equipment type, and the proportion of system cold drink equipment that is owned by TCCC is estimated using facility production volume from the reporting year. ¹	Assessment Report" (global warming potential 100 years) Scope 3: Electricity: Country-specific electricity factors: (2022 Edition), 2020 factors, International Energy Agency Data Services Refrigerant Losses: Beverage Industry Environmental Roundtable's Beverage Industry Sector Guidance for Greenhouse Gas Reporting, December 2010	Costa Limited and coolers purchased by BODYARMOR before the acquisition
Scope 1 (Corporate Aircraft)	Corporate aircraft data are collected in the Professional Flight Management (PFM) system as TCCC employees schedule corporate aviation flights. Corporate aircraft emissions are calculated using the mass of aviation fuel used and relevant emissions factors.	IPCC, 1999, Aviation and the Global Atmosphere, Section 7.8.1. Databases on fuel properties (*) ²	N/A
Scope 2 (Manufacturing)	Records for purchased electricity, steam, and heating are used to calculate GHG emissions for Scope 2. The majority of these emissions are associated with electricity purchases. In addition, a portion of emissions are allocated to Scope 2, based on the amount of electricity from local co-generation equipment or electricity generation. TCCC collects electricity, hot water, cooling and steam consumption data directly from utility bills	Country-specific electricity factors: (2022 Edition), 2020 factors, International Energy Agency Data Services Fuel Combustion (heat factors), Intergovernmental Panel on Climate Change Guidelines for	- Emissions from standalone (i.e., not co-located) warehouses, distribution centers, and offices (based on emissions being lower than threshold of five percent of total

¹ TCCC is in the process of updating its methodology for emissions related to cold drink equipment to rely on actuals rather than the 2010 survey, which will be included in the 2023 reporting cycle.

² <https://archive.ipcc.ch/ipccreports/sres/aviation/110.htm>

	<i>Methodology</i>	<i>Emissions Factors and Global Warming Potentials</i>	<i>Exclusions</i>
	or utility meters on a monthly basis. Heat and steam emissions are adjusted for the type of generation (heat/steam only or co-generation) and heat loss during transmission. Emissions from electricity purchases have been calculated using both the location and market-based methods, according to the GHG Protocol guidance. For market-based emissions, in order to deduct emissions associated with the purchase of renewable energy from a third-party supplier or public utility, energy attribute certificates and third-party financial contracts must be provided as evidence in order for the renewable energy claim to be approved. ³	National Greenhouse Gas Inventories (2013) (fuel type for hot water or steam generation) 2021; USA eGRID (2022), 2020 reference year Residual mix emissions factors: Association of Issuing Bodies (2022) European Residual Mixes; 2022 Green-e Residual Mix Emissions Rates (2020 data) ⁴	scope 1, 2 and 3 emissions) - Costa Roasteries
Scope 3 "Franchises" (Manufacturing)	Manufacturing emissions from indirect operations arise from activities that emit GHGs from the combustion of fuels at bottling partner facilities and co-packers. The methodology and emission factors for calculating emissions from this source is identical to "Scope 1 and 2: Facilities" above. CO ₂ loss during production is derived from the CO ₂ purchased as an ingredient for our products. Therefore, this item is captured in Scope 3, Purchased Goods & Services, which includes the full volume of our purchased CO ₂ in 2022	IPCC Guidelines for National Greenhouse Gas Inventories (2013) Country-specific electricity factors: (2022 Edition), 2020 factors, International Energy Agency Data Services IPCC, 2014 "Fifth Assessment Report" (global warming potential 100 years)	- Emissions from standalone (i.e., not co-located) warehouses, distribution centers, and offices (based on emissions being lower than threshold of five percent of total scope 1, 2 and 3 emissions) - Emissions from Costa franchises.
Scope 3 "Downstream Transportation and Distribution" (Fleet)	Fleet emissions from indirect operations result from the combustion of fuels in distribution vehicles not owned by the company. The methodology for calculating emissions from this source is identical to "Scope 1: Fleet" above.	IPCC Guidelines for National Greenhouse Gas Inventories (2006) IPCC, 2007 "Fourth Assessment Report" (global warming potential 100 years) for heating values; IPCC for National Greenhouse Gas Inventories (2013) IPCC, 2014 "Fifth Assessment Report"	N/A

³ We assert that the renewable energy credits (RECs) allocated to our GHG manufacturing emissions that have not yet been retired will be retired in 2023

⁴ The emission factors applied to electricity consumption in the U.S. is the Green-e residual mix emission factor, which is an adjusted grid-average emission factor that accounts for all unique Green-e Energy certified sales. A complete adjusted emission factor (i.e., residual mix that accounts for all voluntary renewable energy claimed) is not available for the U.S. at this time.

	<i>Methodology</i>	<i>Emissions Factors and Global Warming Potentials</i>	<i>Exclusions</i>
Scope 3 "Business Travel" (Business Travel)	Business travel emissions are calculated for employees based on guidelines specified by the UK Department for Environment Food and Rural Affairs (DEFRA) and the Department for Business, Energy, and Industrial Strategy, from corporate travel based on air miles booked. Kilometers are calculated from travel agency records and emissions factors are applied against three categories of flight distances based on leg data (any city pair) from origin to destination (short, medium and long-haul) as well as each class of travel (ranging from economy to first). When emissions factors are unavailable for a flight class, factors for the most similar class of service are used. The relevant travel agencies provide the records to TCCC that provides the total air miles booked to TCCC. Business Travel emissions are calculated based on information provided by our primary global travel agents TCCC.	Factors used are those published by the Department for Business, Energy and Industrial Strategy: Greenhouse gas reporting: Conversion factors 2022 – Condensed set. Hyperlink provided at bottom of table ⁵	<ul style="list-style-type: none"> - Ground transportation - Corporate charters - Travel booked outside of the primary global travel agency partnerships - Global Ventures, fairlife, CHI, BODYARMOR and Bottling Investment Group employees

Exclusions

In the interest of completeness and transparency, TCCC has been working to capture all of its GHG emissions. TCCC continues to improve the identification and collection of data within its organizational and operational boundaries. Because of the size and complexity of TCCS, it is not always possible to obtain all of the necessary information to complete all segments of the inventory. When information cannot be obtained in a timely manner, TCCC uses extrapolations to provide the most complete inventory possible. As data becomes available identifying additional material sources of emissions, they will be incorporated into the inventory. Certain emissions sources are currently excluded from the annual inventory (Table 1. Direct and indirect energy use at warehouses and offices has been estimated by TCCC and shown to be significantly below our reporting threshold of five percent of total Scope 1, 2 and 3 emissions. Emissions from these sources will be disclosed in the future if determined to be material. Refrigerant losses from facilities are considered immaterial and not included.

Calculation Methodology: Approach and Major Assumptions

TCCC has identified individuals that are responsible for the collection of system-wide operational data used to calculate emissions. These individuals are required by the company's Environment, Occupational Safety and Health Performance Measurement (EOSHPM) Requirements to submit

⁵ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>

energy and other performance measurement data via a proprietary collection system. The submittals may be at the facility, operating unit, or corporate level. The standard reporting procedure for energy and other EOSHPM data is monthly, but frequency of reporting can vary based upon the business needs of each facility. Additionally, the total CO₂ used by the facility and carbonization yield factors are entered monthly. Quarterly checks are conducted by the Corporate team to review data completeness and accuracy. Information for business travel, refrigerants and corporate aircraft is consolidated separately. The facilities listings used in our data collection processes and calculations are as of December 31st, 2022.

The Subject Matter is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

When TCCC is unable to collect activity data associated with the complete sales volume, it uses an extrapolation methodology to estimate emissions. The extrapolation methodology is based on emissions intensities of the reported activity data and the sales volume. Sales volume is measured in number of unit cases (or unit case equivalents) of company beverage products directly or indirectly sold by the company and its bottling partners ("the Coca-Cola system") to customers and consumers as reported by TCCC and the bottlers to TCCC and disclosed in the 2022 10-K. Refer to TCCC 2022 10-K for additional information regarding the 2022 measured Unit Cases.

The intensity factors are only used to estimate the emissions associated with the difference between sales volume and the production volume for reported EOSH performance data. Before finalizing the annual emissions inventory, internal controls include a "plausibility review" to identify and correct data inaccuracies. Plausibility review is relevant only for EOSH source streams captured within the company's proprietary data collection system. Selected indicators are then subjected to independent third-party assurance.

The terms "material," "significant" or other similar terminology are used at times in this document. These terms are not used, or intended to be construed, to have the same meaning as they have been defined or construed under U.S. Securities and Exchange Commission rules governing legally required disclosures by publicly traded companies, e.g., that the issue/impact being discussed is in fact "material" to the company's or the Coca-Cola system's overall business, operations or financial position. Instead, references to "material" in the company's Carbon Accounting Manual are included as required by The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard.