

The Coca-Cola Company

DECEMBER 4, 2019

JAMES R. QUINCEY
CHAIRMAN & CHIEF EXECUTIVE OFFICER
THE COCA-COLA COMPANY

ADDRESS REPLY TO:
P.O. BOX 1734
ATLANTA, GA 30301

THE PURPOSE OF OUR COMPANY

Team,

Since we first talked about the concept of Beverages for Life in 2017, we've collectively created more momentum and belief in our business and across our system. The concept helped galvanize our actions. It has guided our continued evolution as a total beverage company.

That was version 1.0. And as a good number of people have noted, Beverages for Life had a fuzzy connection to the company's existing mission and vision, and it left the company's purpose unclear.

Our objective now is to lay out a version 2.0 – and to give context to each piece and their connections. Ultimately, it needs to be explainable in simple terms, but also understood at a depth of detail. So please take time to consider the material. Questions welcome!

BACK TO THE BEGINNING

Our company started in 1886 and grew with a purpose to refresh the world. This became refreshment not just in a physical sense but also in spirit, and not just to refresh people but also communities. Since then, we've grown enormously as a business, spreading joy, optimism and happiness. We've made a difference with our brands, beliefs and values.

Much has changed in the last 133 years. Today, we are a total beverage company. We're present in almost every beverage category, and we have more than 500 brands. Over 700,000 people in our system help deliver those brands to customers and consumers every day. But, looking forward, the world faces myriad new challenges, and so does our business.

We have to ask ourselves: Is the original purpose of the company still valid? Should it evolve as the world evolves?

WE BELIEVE THE COCA-COLA COMPANY'S PURPOSE IS STILL TO REFRESH THE WORLD AND MAKE A DIFFERENCE.

It's uniquely us. It's why we exist, and it's needed now, more than ever. In doing so, we must think expansively. It's about how we refresh people in both body and spirit. It's about how we refresh the planet and limit the footprint we leave behind. It's about how our business system refreshes the communities we serve. It's about how we and our bottlers refresh, inspire and develop the people who work with us.

WE'RE ALSO CLEAR ON THE VISION FOR OUR NEXT STAGE OF GROWTH THAT IS GUIDED BY OUR PURPOSE.

Our vision is to craft the brands and choice of drinks that people love, to refresh them in body and spirit. And done in ways that create a more sustainable business and better shared future that makes a difference in people's lives, communities and our planet.

This has three connected pillars:

LOVED BRANDS.

We craft meaningful brands and a choice of drinks that people love and that refresh them in body and spirit.

DONE SUSTAINABLY.

We use our leadership to be part of the solution to achieve positive change in the world and to build a more sustainable future for our planet.

FOR A BETTER SHARED FUTURE.

We invest to improve people's lives, from our employees to all those who touch our business system, to our investors, to the broad communities we call home.

We'll still use Beverages for Life. See it as an evocative short-hand way to talk about the vision.

Achieving a vision also means nurturing a culture that makes it possible. Culture is multi-faceted, though it's ultimately about the right behaviors for each situation. It's an expression of who we are.

This is hard to define in its entirety. While there are many valuable aspects of our culture, we're calling out two behaviors that will make the biggest difference. They are:

ACTING WITH A GROWTH MINDSET.

This means taking an expansive approach to what's possible. It's the essential, animating force behind building a better future.

BEING CLEAR ABOUT THE CONSCIENCE WE FOLLOW.

Our world is ever-more interconnected and transparent. Our clarity of conscience means having the compass to do the right thing. We have a long history of acting with honesty and integrity. When we've fallen short, we've made corrections. People expect us to act as leaders.

IN DETAIL

The following describes our purpose, vision and culture in more detail, bringing each part to life.

PURPOSE

The purpose of The Coca-Cola Company is to refresh the world and make a difference.

VISION

Our vision is to craft the brands and choice of drinks that people love, to refresh them in body and spirit. And done in ways that create a more sustainable business and better shared future that makes a difference in people's lives, communities and our planet.

LOVED BRANDS.

We craft meaningful brands and a choice of drinks that people love and that refresh them in body and spirit.

- **Passion for people and their lives.** Everything starts with taking the time to understand people. Whether it's the end consumer or a customer, it begins with understanding their world and what could make it better.
- **Cutting-edge excellence in ingredients, innovation, design and marketing.** Our competitive advantage is rooted in being world class in these areas and applying them to beverages. It is the magic combination that brought us Coca-Cola, and it will be the essence of each brand that succeeds in the future. It's also the foundation of our unrelenting commitment to safety and quality.
- **Investing for leadership across categories in brands that consumers love.** We take a disciplined approach to building our brand portfolio. We nurture explorer brands, persist with challengers and reinforce the leaders (and we take out any zombies). We invest behind the purpose of each brand. From the beginning, Coca-Cola set out to refresh the world and inspire moments of happiness and optimism. Now, each brand has its own reason to be. But each brand must also play its own role in achieving our aspiration for a more sustainable, better shared future.
- **Acting globally and locally.** Few enterprises are as global and as on-the-ground in almost every country and territory as we are. We manage a balance of when to act consistently globally and when to embrace local tastes, preferences and dynamics. It's a key part of our competitive advantage. Our mindset focuses on finding the best total answer for all our stakeholders, not just the best answer for a single brand, country or person.
- **Building powerful partnerships to go to market.** Our bottling partners use world-class commercial, execution and supply chain capabilities as well as local insights to both build and amplify the brands and to create value. These enduring, long-term relationships are fundamental to our ecosystem.

DONE SUSTAINABLY.

We use our leadership to be part of the solution to achieve positive change in the world and to build a more sustainable future for our planet.

- **Start with facts, based in science.**
- **Grow our business, reduce sugar and provide consumer choices.** We've embraced the World Health Organization's (WHO) guidelines regarding added sugar consumption. Our focus is to continue to use reformulations, smaller packages and ongoing innovations, as well as responsible marketing, to help give consumers more choices. We can grow while still decreasing our total

sugar. We'll invest in fundamental R&D with a broad network of partners to find sweet-but-not-caloric ingredients in nature that could offer breakthrough choices.

- **Make packaging part of a circular economy, with a focus on 100% collection rates and an increase in recycling.** Our World Without Waste initiative is a clear strategy with commitments to recover a bottle or can for every one we sell by 2030 and then to recycle and reuse. We're working expansively with fellow manufacturers, retailers and governments to be more successful and efficient.
- **Be water balanced, improving water security where needed most.** Our first water goal was to become water-balanced by 2020. We exceeded that goal by giving back as much water to nature and communities as we use in our products. We will continue this path and work to achieve greater water security for all, especially in water-stressed countries.
- **Reduce our carbon footprint.** We'll use a science-based approach to set our next stage of targets and actions to significantly reduce our carbon footprint.
- **Source more sustainably and ethically.** We'll work with our supply chain to continuously improve sustainable and ethical sourcing practices, including a continued commitment to human rights.

BETTER SHARED FUTURE.

We invest to improve people's lives, from our employees to those who touch our business system, to the many communities we and our bottlers call home.

- **Invest in employees' personal growth and talent for today and the future.** We'll create a vibrant culture and leaders who help bring out the best in each person.
- **Empower our people, provide access to equal opportunities and become more inclusive.** We'll continue our global focus on women and ethnicity in locally relevant ways. Our programs range from societal efforts to those inside the company. We will be as diverse as the consumers we serve, and we'll be a more inclusive business.
- **Create value for customers big and small.** We'll bring brands and programs that become key parts of our customers' growth agendas, delivered with best-in-class execution. We'll engage them in joint efforts for a more sustainable future.
- **Support local communities to achieve more, including in times of need.** We'll continue our decades-long legacy of supporting local communities, through our business and through The Coca-Cola Foundation.
- **Deliver returns to shareowners. Our investors range from major institutions to millions of individuals.** They invest their money in The Coca-Cola Company because they want it to grow. They believe in our vision for our future and want us to succeed. We're committed to giving them a return on their investment.

CULTURE

We nurture a culture with a passion to refresh the world. We make a difference. This includes inspiring and supporting the growth of our people, service to our communities and constantly shaping a more sustainable business. We embrace a growth mindset and believe in continuous learning to improve our business and ourselves. We value how we work as much as what we achieve.

Acting with a growth mindset is the part of our culture that is most needed to create the future. This is an expansive approach to what's possible and the essential animating force to building a better future. The behaviors we focus on using every day are being:

- **Curious.** This is the starting point, whether it's about the consumer or customers or a partner in our system, or even the world around us. It's exploring, understanding, connecting, imagining, wondering about how it could be better or different. It connects to our heritage of believing, as Robert Woodruff once said, that "the future belongs to the discontented."
- **Empowered.** We take accountability, and we take action. It's not a free-for-all – we need consideration and prioritization. But it's a bias for feeling empowered and doing.
- **Inclusive.** We have an incredibly diverse network of employees, partners and operating environments around the globe. We'll draw on this talent and experience to improve our ideas. The crucible of creativity is marrying individual thought with great team interactions.
- **Agile.** In a fast-moving, omni-everything world, most of what we do should prioritize learning fast and taking a more iterative, real-world-tested approach (a.k.a., version 1.0, 2.0, 3.0).

Being clear about the conscience we follow. This is the default in how we approach any situation, and it underpins our purpose. We start with facts, based in science. The reality of our success and scale is that we have to lead, to be a force for progress and for good. If we make mistakes, we act quickly to make things right. In an ever-more interconnected and transparent world, a clarity of conscience to do the right thing is a valuable compass.

We have an incredible opportunity ahead of us and wind in our sails. As we head into the preparations for 2020 and beyond, I hope this has helped clarify the north star that can guide us to further purposeful success.

Please feel free to comment or ask questions.



James Quincey
Chairman and CEO
The Coca-Cola Company