

Share-Owner Proposal On Recycling (Item 5)

Walden Asset Management of 40 Court Street, 9th Floor, Boston, Massachusetts 02108, owner of 6,500 shares of The Coca-Cola Company Common Stock, submitted, along with other co-filers, the following proposal:

WHEREAS Our Company has repeatedly emphasized its commitment to environmental leadership, and its brand value depends on excellence. CEO Douglas Daft has stated “Our long-term success depends on quenching the thirst of consumers each day in an environmentally sound and sustainable way.”

Yet Coca-Cola has no comprehensive recycling strategy that includes publicly stated, quantitative goals for boosting significantly the recycled content in its U.S. beverage containers or for enhanced rates of beverage container recovery in the U.S.

Nearly one-third of Coca-Cola’s bottled products are bottled in plastic (polyethylene terephthalate or PET) beverage containers, yet Coca-Cola’s plastic beverage containers in the U.S. contain a mere 2.5% recycled content. This is not “an environmentally sound and sustainable” path. At the same time Coca-Cola bottles in Australia, New Zealand, Switzerland and Sweden use at least 25% recycled-content plastic and the company has the technological capability to utilize a similar level of recycled content in the U.S.

Several competitors, including Gatorade and Veryfine use 25% recycled content in their containers. Major consumer product companies such as Unilever and Procter & Gamble containers also use at least 25% recycled content.

WHEREAS the majority of Coca-Cola’s beverage containers in the U.S. are being needlessly thrown in landfills, incinerated or littered and are therefore diverted from the national supply of recycled plastic.

The U.S. recycling rate for plastic soft drink containers declined from 50% in 1994 to 35% in 1999, and Coca-Cola has actively lobbied against bottle container deposit systems (i.e., bottle bill legislation) that are the only proven method to increase recovery significantly, thereby increasing the supply of recycled content for beverage containers.

Significant container recovery rates are possible, as evidenced by the experience of U.S. states with bottle bills, and of countries like Germany and Sweden, where companies have achieved beverage container recovery rates of more than 80%. In the U.S., states with beverage container deposit systems recover three times as many bottles as states without deposits.

Recycled PET content can be less costly than its virgin counterpart if a greater supply of used containers is available from recycling. Yet our company is currently selling some of its own collected PET containers that could provide the raw materials to boost the recycled content level of Coke containers.

WHEREAS setting quantitative goals for boosting the recycled content in its beverage containers and for higher rates of beverage container recovery will begin to fulfill the company’s stated commitment to “focus on minimizing our impact on the environment and strive for continuous improvement.”

BE IT RESOLVED THAT Shareowners of The Coca-Cola Company request that the board of directors adopt a comprehensive recycling strategy. The strategy should aim to achieve, by January 1, 2005, a system-wide average of 25% recycled content in all plastic beverage containers, and a recovery rate of 80% for its beverage containers bottled in the United States. The board shall prepare a report, by October 1, 2001, on the company’s efforts to achieve, and progress in achieving, this strategy.