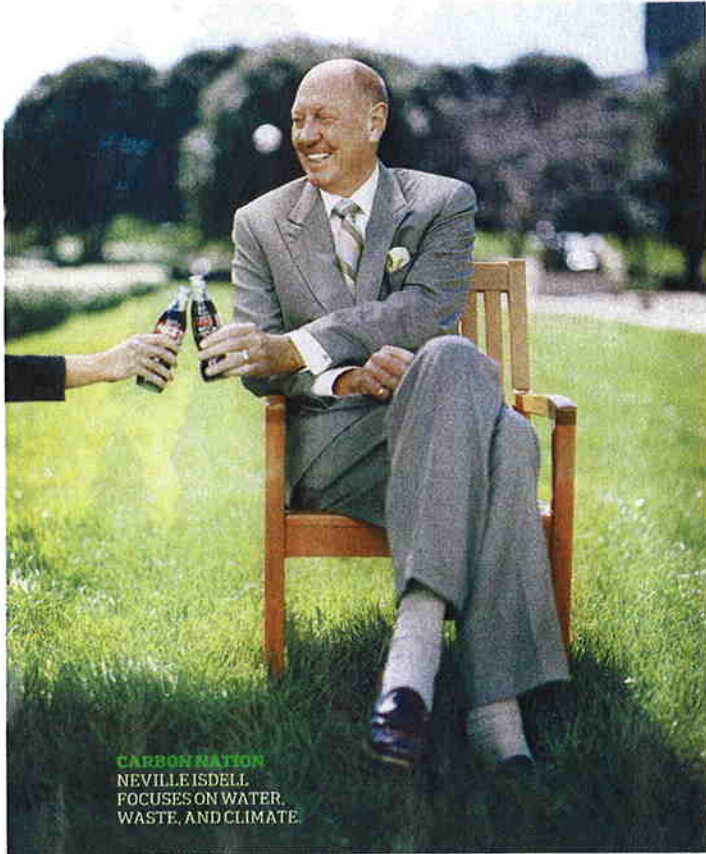




INTERVIEW BY MARC GUNTHER
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CARBONATION
NEVILLE ISDELL
FOCUSES ON WATER,
WASTE, AND CLIMATE

Coca-Cola's Green Crusader

It helps when the
CEO is committed to
sustainability.

E. Neville Isdell, the chairman and CEO of Coca-Cola, is talking about one of his favorite subjects—saving the planet. So I ask him what a sustainable package for the company's drinks would look like. "This is an ideal package," he replies, sipping from an aluminum can of Coke Zero. "It's a completely closed cycle." True enough. Aluminum can be recycled indefinitely. Put a Coke can in a recycling bin, and the aluminum finds its way back to a store shelf in about six weeks.

The trouble is, people prefer clear plastic bottles with screw-on tops. Plastic bottles account for nearly 50% of Coke's global volume, three times more than aluminum cans. And they are not currently sustainable. They're made from oil, a finite resource. Most wind up in landfills or, worse, as roadside trash. They can't be recycled indefinitely because the plastic discolors.

Even for a CEO who calls himself an environmentalist—and wins praise from the likes of Greenpeace—turning Coke green isn't easy. To make meaningful progress, customers, independent bottlers, retailers, and suppliers all need to be brought along. There's a price to be paid by shareholders too.

Take the waste problem. To attack it, Coca-Cola will spend about \$44 million to build the world's largest plastic-bottle-to-bottle recycling plant in Spartanburg, S.C. That won't pay off without a steady supply of recycled input. So to get consumers to recycle more, Coca-Cola invested about \$2 million in a fast-growing startup called RecycleBank that offers rewards to families based on how much they recycle. In the meantime, Coke is licensing T-shirts and caps made from plastic bottles and researching new ideas like bottles made from corn or bioplastics. "They don't know exactly where they're going to end up," says Kate Krebs of the National Recycling Coalition, "but they are willing to try as many avenues as they can."

Isdell is determined to address Coke's other environmental issues too. About ten million or so vending machines and refrigerated coolers use potent greenhouse gases called HFCs to keep Cokes cold. To eliminate them, the company invested \$40 million in research and formed a refrigeration alliance with McDonald's and (gasp!) PepsiCo. Coca-Cola has also promised to become "water neutral" by helping its bottlers waste less and by working to protect or replenish watersheds around the world.

Some of this is personal. The 63-year-old Isdell lived for more than 25 years in Africa, where he fell in love with the landscape as a boy growing up in Zambia. "One of the most magical things is the arrival of the rain at the end of the dry season," he recalls. "You get this buildup in temperature. The earth is parched. And all of a sudden the first rain falls. And there is the most unbelievable aroma that's released when the rain hits the baked earth. Those are the little triggers, I think, that put you on a certain path." Isdell returns to Africa almost every year to indulge in his passion for wildlife photography.

Of course, there are also solid business reasons Coke wants to become more sustainable. The company came under attack when wells ran dry near one of its bottling plants in India. And bottled water like Coke's Dasani has become a hot-button issue for eco-activists. "Water is at the core of what we do," Isdell says. "Without it, we don't have a business." ■

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