

## Pledge on Plastic Packaging Waste: Coca-Cola HBC Achievements

2021 Award Entry

### Overview

Coca-Cola HBC has a proud 80-year history on the island of Ireland, and we attribute our market success to our unwavering commitment to growing responsibly and sustainably. For us, this means recognising the business value that sustainability brings, in terms of enhancing reputation, trust and relationships with our customers and communities.

Over the years, our focus and investments have taken many forms – from sugar reduction achievements and diversification of our portfolio, to investing in youth development and local community projects. We had also partnered with An Taisce and Keep Northern Ireland Beautiful for more than a decade to encourage and support beach clean-ups and reduce litter.

However, amidst the growing global debate around plastic and its impact on the environment, it became our mission to become a leader in packaging sustainability, pioneering new solutions, partnerships and infrastructure to achieve a true circular economy for waste.

With the establishment of a dedicated packaging taskforce, we interrogated our supply chain to understand how we must adapt. It is our commitment to design more sustainable packaging, collect back the equivalent of every bottle and can we sell by 2030, and partner with NGOs, Government and communities to close the packaging loop.

**Through investment in recycled plastic, more sustainable cardboard solutions, and 'light-weighting' of our packaging over the last three years, we have proudly eliminated 5,000 tonnes of plastic from our supply chain annually since 2018.**

**What's next?** Our greatest ambition is to achieve 100% collection of our bottles and cans by 2030. Today in Ireland, 7 out of 10 bottles are collected for recycling, but there is more to do! Recently, we have worked with Government, partners and industry to understand the right collection solutions to improve collection and recycling rates. Through our membership of the Irish Beverage Council's packaging taskforce, we pioneered a business case for the benefits of a deposit return scheme for Ireland and Northern Ireland and are fully supportive of the planned schemes in both jurisdictions. Our focus for the coming year will be to leverage the insights and experience from across our 28-market Group, to ensure that the Deposit Return Scheme for Ireland and Northern Ireland is world-class, working in partnership with industry, NGOs and Repak.

**What is our secret ingredient?** Our more than 700 employees are fully engaged in our sustainability commitments, through training, learning sessions and communication campaigns to generate awareness and understanding of why and how we must adapt to protect our planet for generations to come. Together, we are confident that we can achieve a World Without Waste.

### Sustainability at Coca-Cola HBC Ireland and Northern Ireland

Coca-Cola HBC Ireland and Northern Ireland is the authorised bottling partner to The Coca-Cola Company for the island, responsible for the manufacture, distribution, sale and channel marketing of its beverage portfolio. We produce global brands Coca-Cola, Coca-Cola Zero Sugar, Diet Coke, Fanta, Sprite, Appletiser and Schweppes, as well as locally owned brands Deep RiverRock and Fruice.

In 2021, the **Dow Jones Sustainability Index** ranked Coca Cola HBC as the #1 global beverage leader in sustainability. This is the 5th time in seven years that the company has been ranked number one in the index and the 10th year in a row that it has been ranked in the top three Global and European beverage companies.

As long-standing members of Repak, we have embraced the opportunity to become signatories to the Pledge on Plastic Waste, which mirrors our company vision to create a world without waste. We were also awarded 'Green Manufacturer of the Year' in 2020 and proudly signed our second **Prosperity Agreement** with the Northern Ireland Environment Agency in 2020.

### Our 2021 strategy and framework

It is our belief that no market-leading business can operate successfully without an authentic commitment to sustainability, and the Coca-Cola HBC team are passionate about meeting and exceeding all of our targets.

We are guided by our Group, who have set comprehensive sustainability targets called [Mission 2025](#). Our progress focuses on six areas: emissions reduction; water reduction and stewardship; World Without Waste; sustainable sourcing; nutrition; and our people and communities. See further detail on the [targets set for Ireland and Northern Ireland here](#).



We recognise our responsibility in relation to plastic, and the impact that packaging can have on the marine environment. In 2018, Coca-Cola launched its global *World Without Waste* strategy, which sets out commitments to ‘**design**’ more sustainable packaging; ‘**collect**’ the equivalent of every bottle or can we sell; and ‘**partner**’ with NGOs and others to help clean-up the planet.

In Ireland, we localised this strategy and our targets include the achievement of at least 50% recycled plastic use by 2025 and collection back of at least 75% of all packaging placed on the market. We currently integrate 46% recycled plastic across our portfolio and collect approximately 70% of the packaging placed on the market.

More than €13million has been invested in our sustainability initiatives over the past two years to support our sustainability agenda, and the business has plans for further capital investments in 2021 and beyond.

## Project Achievements & Future Focus

In 2019, we were proud to become signatories to the **Repak Members' Plastic Pledge**, which aligns with our company commitments to prioritise the prevention of plastic packaging waste by minimising avoidable single use packaging and promoting packaging reuse where possible. This is an overview of our achievements and future focus.

### 1: Prioritise the prevention of plastic packaging waste by minimising avoidable single use packaging.

#### Achievements

- In 2015, we achieved our commitment to **zero waste to landfill** at our Knockmore Hill production facility. This was achieved five years ahead of schedule.
- We reduced the amount of plastic in our bottles overall by ‘**light-weighting**’ our packs. Since 2018, we have reduced the plastic used in our plastic bottles by **10%** and in 2020 we moved to a lighter 19.9g bottle for our on-the-go soft drinks portfolio, the lightest available across the globe. By the end of 2020, our light weighting initiatives reduced plastic use by 1,000 tonnes annually!
- Turning our focus to reducing plastic use across our **secondary packaging**, in 2020, we partnered with suppliers and designers, innovating to introduce the ‘Keel Clip’ cardboard packaging solution for our 4,6, and 8 multi-pack cans. Since March 2021, we have also moved to cardboard packaging called ‘Q-Flex’ for larger multi-pack cans – removing a total of 585 tonnes of unnecessary plastic each year!
- We began to move from single-use point-of-sale materials to permanent solutions. We have been working closely with our larger retailers to increase the use of shelf-ready packaging for their stores, by way of ‘mobile units’ (MUs). In a large supermarket chain, the move to mobile units has eliminated approximately 200k tonnes of tertiary packaging annually.



#### Future Focus

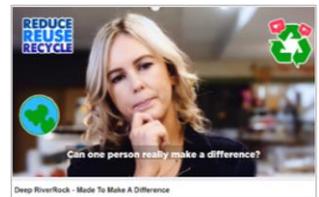
- In early 2022, we will further light weight our **Deep RiverRock** bottle range,
- In early 2022, we will adopt the ‘**Best-In-Class**’ bottle for our larger Take-Home Coca-Cola owned portfolio. This will see our 1.5ltr bottle move from a 39.7g to a 37.2g bottle; saving 100 tonnes of plastic.
- We continue to source sourced point-of-sale materials made from recycled materials and are expanding this across our full portfolio.

### 2: Support Ireland to deliver the Circular Economy Package plastic recycling targets of 50% of all plastics by 2025 and 55% of all plastics by 2030, as set by the European Commission.

World Without Waste also sets out an ambitious target for packaging collection and recycling. By 2030, we will collect and recycle the equivalent of every bottle or can we sell.

#### Achievements:

- Over the last year, we have worked closely with the wider beverage sector via the Irish Beverage Council, commissioning an independent study to determine the merit, feasibility, and cost of introducing and operating a Deposit Return Scheme in Ireland. This work is progressing as part of the UK and Irish Government’s consultations for a DRS and we remain committed to partnering with all stakeholders to build a world-class scheme in Ireland.
- We also recognise that we cannot do all this alone, so we are partnering with those groups and stakeholders that can help us have the most impact:
  - We value our partnership with Repak and over the last number of years have facilitated meetings with our customers to explore ways to expand the reach of Team Green. Following the success of the relationships built with Trinity College, Lidl & The National Ploughing Championships in 2019, in 2020 we facilitated further meetings with Dunnes who aim to introduce Team Green recycling machines at their locations.
  - In 2020, we launched **Dublin #CircleCity**. A partnership with environmental charity Hubbub, The Coca-Cola Foundation and Dublin City Council to fund recycling stations across the city.
  - We also contributed funding to the **Water Institute at Dublin City University** to improve the quality of waterways, protecting them from the impact of plastic litter.
- We are also using the power of our brands and our partnerships to champion recycling at every opportunity:
  - Deep RiverRock launched a new sustainability campaign in 2020 to celebrate its 100% Recycled Bottle. Olympic medallists Gary and Paul O’Donovan, Leinster Rugby stars Jonathan Sexton, Josh Van Der Flier and Rhys Ruddock and TV personality Cassie Stokes all lined up to support Deep RiverRocks’ 100% recycled bottle campaign, demonstrating how the bottle [is made to make a difference](#).



**Future Focus:**

- Our primary focus for the coming year will be to support the development of a world-class Deposit Return Scheme for Ireland- a scheme that achieves and exceeds plastic recycling targets. Taking learnings from the 10 markets across our 28-market group that have established DRS schemes, we will work in partnership with all stakeholders to play a value-adding role to the introduction of the Irish scheme.

**3: Reduce complexity within the packaging supply chain by simplifying polymer usage and eliminating non – recyclable components in all plastic packaging by 2030.**

**Achievements**

- All the bottles and cans we sell are **100% recyclable** and none of our primary packaging contains non-recyclable components.
- As outlined above, in 2021 we completed our transition to cardboard secondary packaging solutions for our multi-pack cans, eliminating 585 tonnes of shrinkwrap plastic annually.
- In 2020, we switched our Sprite bottles **from green to clear**, making them easier to recycle



**Future Focus:**

- By the end of 2021, we will begin introducing 100% recycled plastic film (R100) for multi-pack bottles.

**4: Help to build a circular economy for used plastic packaging in Ireland and Europe by increasing the use of plastic packaging with a recycled content.**

**Achievements:**



- We have invested in **recycled plastic (rPET)**, which is significantly more expensive than commonly used virgin PET (the average price of rPET is 65%<sup>1</sup> higher than virgin PET). To date, we have achieved **46% recycled PET** integration across our plastic portfolio.
- Our **Deep RiverRock** water brand introduced its **100% rPET bottle range** across its full PET portfolio in 2019; the first mainstream water brand on the island to adopt a fully recycled PET bottle portfolio.
- Our *On-the-Go Packs*<sup>2</sup> now also contain **50% rPET**, while our larger Take-Home Packs contain **25% rPET**. Through this integration of recycled content, we will eliminate **3,450 tonnes** of virgin plastic from the supply chain annually.
- In 2020, our Smartwater also moved to 100% rPet.

#### Future Focus:

- We remain committed to increasing our investment of recycled content. In our most exciting move to date, we will transition to **100% recycled bottles for all 'on-the-go' soft drink packs** in 2023.
- We are also invested in the development of a **PET2PET** or 'bottle-to-bottle' recycling facility in Ireland, which would support the value chain for plastic recycling, while ensuring a regular feedstock of high-grade recycle, which we can invest back into our bottles.
- As mentioned above, by the end of 2021, we will begin introducing 100% recycled plastic film (R100) for multi-pack bottles.



#### 5: Ensure our approach to plastic packaging reduction is aligned to Ireland's goal of a 50% reduction in food waste by 2030 as set out in Ireland's food waste charter.

Ensuring our approach to plastic packaging reduction is aligned to Ireland's goal of a 50% reduction in food waste by 2030, our packaging sustainability improvements have not compromised the shelf-life of our products. We also partner with local charities to prevent food waste.

- Over the last 12 months, we have doubled our donations of short-dated stock to the **Simon Community's foodbank, FoodCloud and Fareshare** to eliminate food waste.
- We have also recently developed a relationship with **Inner City Helping Homeless**, already donated of **50,000 beverages** to this charity in 2021.
- During the pandemic we also made regular donations of drinks, to front-line healthcare workers across more than 30 hospitals and COVID 19 test centres- in total more than **1 million bottles of water and soft drinks were donated**.

#### Our people

We take a holistic approach to sustainability and we understand that our environmental targets will only be achieved when we all work together. To ensure widespread co-operation in terms of behaviour and decision making, we deploy several initiatives to heighten employee awareness and engagement:

- Our 'Ambassador' programme supports employees to understand the actions we are taking to minimise our impact on the environment.
- In November 2020, we held our first ever Sustainability Week for employees. This included interactive videos, quizzes, Ambassador Sessions, newsletters, and emails.
- Other educational initiatives include monthly 'Toolbox Talks', and quarterly GM 'Business Briefs' and Townhalls, which include environmental updates to help inspire employee education and action.
- 'Ideas for Growth' is an additional programme designed to encourage an innovative mindset by recognising and rewarding ideas that will help us to continue to sustainably grow our business.

We also actively encourage employees to give a day to a cause they care about through our 'WeVolunteer' programme. In recent years, several Big Beach Cleans were organised whereby hundreds of our people contributed to keeping our beaches free of litter.

<sup>1</sup> Based on Coca-Cola HBC 2021 supplier data.

<sup>2</sup> Refers to all packs produced in-house from our Knockmore Hill plant; which comprises 93% of our total volume.