

Pledge on Plastic Packaging Waste: Coca-Cola HBC Achievements

Award Entry

Overview

Together with The Coca-Cola Company, Coca-Cola HBC has been accelerating their global strategy to achieve a *World Without Waste* by 2030, which fully supports Repak's Pledge on Plastic Packaging Waste. Since 2018, the Irish business unit has had outstanding success in delivering against these commitments, demonstrating true leadership in packaging sustainability.

All bottles and cans sold by Coca-Cola HBC are already 100% recyclable and the company has now made a big step forward in the integration of more recycled materials into its packaging. More than 40% of its plastic portfolio now consists of recycled PET (rPET) and in 2019 Coca-Cola HBC launched its first 100% recycled PET portfolio for its water brand Deep RiverRock. This move will eliminate almost 5,000 tonnes of virgin PET from the supply chain annually, while also creating a closed loop for packaging.

The company has also reduced and eliminated its plastic use overall. Since 2018, the amount of plastic used in the manufacture of its plastic bottles has been reduced by 7.5% through light-weighting of packs and the introduction of a smaller closure. Deep RiverRock's 500ml bottle has undergone significant light-weighting in particular. Now one of the lightest mainstream water bottles on the market, it has achieved a 39% reduction in PET use since 2015.

The World Without Waste strategy also sets out an ambition to collect and recycle the equivalent of every bottle or can sold by 2030 to achieve a true circular economy for packaging. Coca-Cola HBC has partnered with Repak (Team Green), customers, local authorities and NGOs to achieve this, with a focus on improving the infrastructure for on-the-go collection. This has also been aided by marketing investment to change consumer mindset with respect to recycling.

Coupled with investments in capital expenditure, and recycled materials, the company is well-positioned to continue this trajectory and will play a key role in achieving the plastic recycling targets of 55% by 2030.

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 non-alcoholic ready-to-drink (NARTD) beverage portfolio. We produce global brands Coca-Cola, Coca-Cola Zero Sugar, Diet Coke, Fanta, Sprite, Appletiser, Schweppes and the 1783 range, as well as locally-owned brands Deep RiverRock and Fruice. Coca-Cola HBC employs 740 people across the island with offices in Dublin and Lisburn. The manufacturing facility in Knockmore Hill, Lisburn, County Antrim serves the island of Ireland market.

As market leaders, we recognise our responsibility to grow sustainably and we strive to play a value-adding role in local communities. An important part of our sustainability agenda is our commitment to minimise our impact on the environment. In 2010 we set ambitious 2020 targets in the areas of water, waste and energy, and we are proud that some of these have already been achieved, with the rest on track to be delivered ahead of schedule.

Our sustainability leadership has long been recognised internationally. Coca-Cola HBC is currently ranked in the top three of the Dow Jones Sustainability Indices for the beverage industry, in both the global and European leagues, and was the industry leader for the previous four years.

More recently, we have been listening to public concern in relation to plastic packaging and the impact it can have on the marine environment when it's disposed of incorrectly. We have been accelerating our activities to ensure we can play a leadership role in establishing a circular economy for packaging.

As long-standing members of Repak, we embraced the opportunity to become signatories to the Pledge on Plastic Waste, which mirrors our company vision to create a world without waste.

Our strategy - building the foundations for success

In January 2018, Coca-Cola launched its global World Without Waste strategy, setting out 2030 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.



As an *Island of Ireland* business unit, we localised this strategy, and resourced the roadmap to achieve these objectives.

In 2018, we appointed a new Packaging and Sustainability Manager whose primary role is to manage the delivery of Ireland's packaging strategy. She coordinates the newly established Packaging Taskforce; a cross-functional team inclusive of senior representatives from all functions, including supply chain, marketing, finance, public affairs and communications and commercial.

The project is sponsored by our General Manager, who has a personal commitment to packaging sustainability. Progress reports from the Packaging Taskforce are also shared with the senior management team monthly.

The strategy has also been supported by a €3.25million investment in capital expenditure to establish recycled PET facilities and light-weighting capabilities at our plant in Knockmore Hill, Lisburn.

We have also adopted a holistic approach to sustainability as we understand that targets will only be achieved when we work together. To ensure widespread co-operation and education, we engage in initiatives that heighten employee awareness. One such example was the introduction of new workshop-based learning events through our employee Ambassador Programme. This created an opportunity to

communicate information about our Company's sustainability commitments, share achievements and best practices, and begin working together on joint targets and initiatives.

Sustainability is also kept front-of-mind for all, with inspiring and encouraging communication. Examples include monthly 'Toolbox Talks', and quarterly GM 'Business Briefs', which include environmental updates help inspire employee action.

We have also recently gone live with an internal 'Team Green' campaign to encourage all employees to become signatories to the Team Green pledge and commit to recycling at least one more piece of plastic each week.

Finally, we encourage our employees to share their innovative thinking when it comes to sustainability. Two such examples are; 'WeKnow' a knowledge sharing platform for the 28-country Hellenic Group that enables more effective collaboration between countries on key improvements and lessons learned. In 2019 alone, 53 ideas have been shared by the Irish team. Another innovative programme is 'Ideas for Growth, which is designed to encourage an innovative mindset by recognising and rewarding ideas that will help to continue to grow our business.

Plastics Pledge - achievements

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.

Our initial focus was concentrated on primary packaging, ensuring the full recyclability of our packs. We also continued our journey to reduce the overall plastic needed in our packs. Finally, we began to investigate how we would integrate more recycled PET into our supply chain to create a true circular economy for plastic. Our achievements include:

- All the bottles and cans we sell are **100% recyclable**, with PET and aluminium recognised as some of the most valuable material for recycling collected through kerbside collection. None of our primary packaging contains non-recyclable components.
- We have focused on reducing 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 **7.5%** and will achieve a total reduction of 800 tonnes by the end of 2019.
 - Our most popular Deep RiverRock 500ml bottle has been light-weighted, making it one of the lightest on the market. This pack has achieved a 39% reduction in plastic use since 2015.
 - We also adopting the 'Best-In-Class' class bottle for our Coca-Cola owned portfolio (which includes Fanta, Sprite and Lilt); the lightest available across the globe. Our 500ml packs have been reduced from 20.7g to 19.9g, a 23% reduction in plastic use since 1994.

- We have also invested in **recycled plastic (rPET)**, which is significantly most costly than commonly used virgin PET. To date, we have achieved **40% recycled PET** integration across our plastic portfolio. By converting post-consumer waste into a valuable resource, rPET excels in sustainability, keeping resources in use for as long as possible. We also believe that our investment in rPET will lead to a closed loop for packaging; acknowledging that PET packaging need not become ‘waste’, but rather material with a value proposition which can use again through effective recycling. A recent study by ALPLA confirms that rPET is one of the lowest carbon-dense packaging types to produce and will reduce the end-to-end carbon footprint of our packs by as much as 79% compared to virgin material.¹



- In June 2019, our Deep RiverRock water brand introduced its **100% rPET bottle range**, across its full PET portfolio; the first mainstream water brand on the island to adopt a fully recycled PET bottle portfolio. The move will **eliminate approximately 1,500 tonnes of virgin plastic** from the supply chain annually. This move was endorsed by Minister for Communications, Climate Action and Environment Richard Bruton.
- Our *On-the-Go Packs*² 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. This is due to be announced in August.
- Our Smartwater brand will also move to a **100% recycled PET** pack by the end of the year.

- World Without Waste also sets out an ambitious target for packaging **collection**. By 2030, we will collect and recycle the equivalent of every bottle or can we sell. To achieve a true circular economy for packaging, we are exploring how best we can support improvements to the existing packaging collection system, with a focus on enhancing infrastructure for on-the-go packaging recovery in particular.

- We have worked closely with Repak to achieve this ambition. We facilitated meetings with several of our customers to explore how we could work together to expand the reach of Team Green and the recycling machines in particular. Trinity College is one such customer who has increased recycling on campus thanks to the introduction of the Team Green recycling machine. We are also in talks with Dublin Airport to explore opportunities for the recycling machines on site, in collaboration with Repak.
- We are empowering our 740 employees to become Team Green Environmental Champions. An internal campaign will run throughout August to encourage all employees to sign up to the Team Green pledge; committing to recycling just one more bottle each week to help achieve future targets.

- Finally, we recognise that we can't do all of this alone, so we are partnering with those groups and stakeholders that can help us have the most impact.

- We have worked with An Taisce and Keep Northern Ireland Beautiful for more than a decade on the Clean Coasts programme – supporting volunteers to keep our coastline free of litter. In 2019 the programme saw **27 tonnes of litter removed** from the Irish coastline last year, thanks to 5,450 volunteers taking part in 254 events and clean-ups.

- We are using the **power of our brands** to encourage greater behavioural change and consumer awareness.



¹ ALPLA study by Roland Fehring, denkstatt GmbH: <http://www.petrecyclingteam.com/en/excellent-co2-balance>

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



○ We have integrated recycling messages across all Coca-Cola and Deep RiverRock advertising and on-pack, and we are working closely with our retail partners to raise awareness of our actions in-store, among consumers.

○ We also took the bold move to swap our 'Deep RiverRock' logo for a '100% Recycled Bottle' message front-of-packs to help change consumer mindsets in relation to the value and importance of recycling and using recycled materials.

○ Finally, our approach to plastic packaging reduction is aligned to Ireland's goal of a 50% reduction in food waste by 2030.

Our rPET integration and light-weighting successes have been achieved without compromising on the quality or shelf-life of our packaging. We also donate short-dated stock to the Simon Community's foodbank each quarter to eliminate food waste.



Plastics Pledge – future focus

Our commitment to creating a value chain for our packaging, and plastic in particular, continues.

- To date, we have achieved 40% integration of recycled PET across our total portfolio and are continuing to assess opportunities to increase our usage to achieve the 50% target ahead well ahead of schedule.

We have also turned our focus to improving the sustainability of our secondary and tertiary packaging.

- We have sourced point-of-sale materials made from recycled materials for our Deep RiverRock campaign and will look to expand this across the full portfolio over the coming year. Our focus is also on shifting from single-use point-of-sale materials to permanent solutions, where feasible.
- We are exploring opportunities to eliminate LDPE 'shrink film' which is used on our bottle and can multi-packs.
- Our customers and retail partners are equally invested in our journey, and we are working closely with them to bring innovative solutions to the fore. We already work with certain customers to provide shelf-ready packaging, which uses significantly less secondary and tertiary packaging, and are exploring opportunities to expand this solution to additional customers in 2020.

We are also continuing to champion a change in consumer mindset with respect to recycling and littering, with a view to achieving the targets set by the Circular Economy Bill.

- In 2018 and 2019 we partnered with Musgraves to bring our 'Clean Coasts' campaign to life in store and are discussing opportunities for further partnerships for the balance of year.
- In September 2019 our employees will undertake a second annual 'Big Beach Clean' event; demonstrating our authentic commitment to keeping our marine environment litter-free.
- We will also deploy a marketing campaign to encourage greater recycling in early 2020.

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