THIS IS FORWARD ON WATER

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Highlights

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In 2021, together with The Coca-Cola Company (TCCC) and The Coca-Cola Foundation, we managed 22 water replenishment projects in Europe and six in API.

CONTEXT

Water is critical to our business. It's the main ingredient in our products, essential to our manufacturing processes and critical to ensuring a sustainable supply of the agricultural ingredients we depend upon.

Water is also one of the world's most precious resources, however climate change is exacerbating water stress and water scarcity. In many parts of the world we are witnessing water shortages, droughts and floods in regions where we produce our products or source our ingredients.

To address water scarcity and water quality challenges, we adopt a value chain approach to water stewardship, focusing on water efficiency within our own operations and working to protect the future sustainability of the water sources that our business, our communities and our suppliers rely upon.

OUR STRATEGY

Our approach to water stewardship is aligned with TCCC's 2030 water security strategy, which allows us to prioritise the areas of our value chain – both operations and sourcing regions – most at risk from water stress. We are developing water reduction targets across our European and API operational sites, reflecting the needs of our local sites and priority sourcing regions.

We're focused on reducing the water we use in our production facilities. We measure performance through our water use ratio - the average amount of water we need to produce a litre of product. In Europe, we're committed to reducing our water use in manufacturing by 20% by 2025. In 2022, we will update our water use targets as part of our This is Forward sustainability action plan, including our API territories.

We aim to return 100% of our wastewater safely to nature, and replenish 100% of the water we use in areas of water stress via community-based partnerships across our territories.

2021 PERFORMANCE

We continue to make progress on reducing our water use per litre of product produced. We do this by continually improving the water efficiency of our manufacturing and cleaning processes.

WATER USE

Water use ratio (litres of water/litre of product produced)

2020	1.57
2021	1.58

API^{(A) (B)}

2020	1.84
2021	1.75

- ^(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 and 2020 to allow for
- better period over period comparability. ^(B) Excludes the amount of water used for the production of products that contain alcohol

OUR CONTRIBUTION TO THE SDGs



Clean water and sanitation

For more information about the progress we are making on sustainability, go to our sustainability section <u>online</u>.



O1 WATER STEWARDSHIP

How do you assess the water risk in your water sources?

Our approach to water stewardship is aligned with The Coca-Cola Company's (TCCC) 2030 water security strategy. This includes a context-based approach to water security, which means we prioritise the areas of our value chain – both operations and sourcing regions – most at risk from water stress. Our value chain approach to water management aims to address water availability challenges and protect the water sources that our business, our communities and our suppliers rely upon.

Our water risk mapping is based upon a series of risk assessments. All our sites are assessed through a global enterprise water risk assessment which uses the <u>World</u> <u>Resources Institute</u>'s global water risk mapping. This is supported by local Facility Water Vulnerability Assessments (FAWVAs).

In 2020, all of our production facilities completed their first annual FAWVA, which assesses a wider range of physical, regulatory and social risks. This approach allows us to set context-based targets on a site level, and prioritise resources accordingly.

The FAWVAs are supported by source vulnerability assessments (SVAs), undertaken at a local level every five years and aligned with the <u>Alliance for Water</u> <u>Stewardship Standard</u>. With the SVAs in place, we then assess potential risks in water quality and future availability to our business, the local community and the wider ecosystem.

The FAWVAs and SVAs feed into our site water management plans (WMPs), which support target management, climate resilience, data sharing and reporting.

1000% In 2021, all our non-alcoholic drinks production facilities had SVAs, and WMPs in place.

Are your production facilities in areas of high baseline water stress?

Through the <u>WRI Aqueduct Water Stress</u> mapping, we know that 22 of our 45 production facilities in Europe, and three out of 24 production facilities in API are located in areas of high baseline water stress^(A). In 2021, these sites used 10.7 million m³ of water in Europe, and 1.37 million m³ of water in API – representing 55.6% of our total water use in Europe and 25.3% in API^(B).

In addition to measuring our baseline water stress, we use FAWVAs to closely analyse our local water risks, and set context based targets. As a result, our sites are categorised into "leadership", "advanced efficiency" and "contributing locations" – based on the level of water risks.

Sites in leadership locations are those that rely on vulnerable water sources or have a high level of water dependency. These sites have the highest water reduction targets and aim to achieve 100% regenerative water use. This means finding a beneficial use for our wastewater and replenishing any remaining water through projects in the local watershed. Sites in advanced efficiency and contributing locations have lower levels of baseline water risk and therefore have lower water use reduction targets.

12 LEADERSHIP LOCATIONS

Eight of our production facilities in Europe, and four in API are leadership locations, representing 7.9 million m³ of our total water volume. What are your water stewardship certifications?

All our manufacturing sites are certified under the ISO 14001 environmental management standard. This ensures we have appropriate environmental management and stewardship of resources in place for all our daily operations.

With a gold European Water Stewardship certificate since 2013, our mineral water bottling plant in Chaudfontaine, Belgium, obtained a platinum certificate for sustainable water management from the worldwide <u>Alliance for Water Stewardship</u> in 2021, as did our production facility in Dongen – the first site to receive this standard in the Netherlands.

In 2021, CCEP was included in the CDP Water A list for a sixth year in a row and is one of only 53 companies globally to be recognised at this level.





CLIMATE WATER

(A) Soft drink production facilities only. In 2021, we closed two of our production facilities in Europe, but the production volumes from these facilities are included up until point of closure.

(B) Includes data revisions captured after the publication of our 2021 Integrated Report in March 2022.



O2 WATER EFFICIENCY

What are your water reduction targets?

We monitor our water use, setting annual targets and identifying opportunities to further reduce our water consumption, and improve the water efficiency of our manufacturing and cleaning processes.

In Europe, we have a commitment to reduce our water use in manufacturing by 20% by 2025 versus a 2010 baseline. In 2022, we will update our water reduction targets to cover all of our territories, including API.

How much water do you use to make your products?

We measure performance through a water use ratio - the average amount of water we need to produce a litre of product.



1.75

In API, our water use ratio was 1.75 per litre of product produced in 2021, a 4.8% reduction compared to the previous year.



How are you improving water efficiency in production?

It's vital that we manage the water we use in our production facilities and we are investing in water saving technologies to make our manufacturing and cleaning processes more water efficient. In 2021, we invested €1.3 million in water efficient technologies and processes in our sites in Europe, resulting in water savings of 31,950m³. In 2021, we reused and recycled 674,145m³ of water, or 3.5% of our total water withdrawals in Europe.



In Belgium, we will save up to six million litres of water a year by using new vacuum pump fillers for beverage filling processes that we introduced in our production facility in Antwerp in 2021.



In 2021, we have reduced the rinsing time of our glass bottles at our Jordbro production facility in Sweden and will save 1.2 million litres of water a year as a result.



In Spain, we are piloting a project at our production facility in Sevilla to track production line water usage through metering and online live tracking, and we aim to roll this out across Europe and API over 2022 and 2023.





In 2021, we successfully rolled out technology to reclaim and reuse effluent water at three of our plants in Indonesia. Wastewater that is treated and processed via reverse osmosis is now being reused for general purposes, such as cleaning and solvent for chemicals, within our own facilities. This project helped to save 161 million litres of water in 2021 and represented 86.7% of our total water savings in Indonesia. In 2022, we will aim to extend this to two additional plants.

Do you return wastewater to the environment?

We ensure that 100% of our wastewater is safely returned to nature. Before water is discharged from any of our production facilities, we apply the highest standards of treatment, meeting all standards set by local regulations and KORE standards. While most of our production facilities pre-treat wastewater on site and then send it to municipal wastewater treatment plants, 11 of 45 our production facilities in Europe carry out full wastewater treatment on site. In our production facilities in Reykjavik, Iceland and Barcelona, Spain, the methane gas generated by wastewater treatment is recycled to heat the waste water treatment process itself.

Of our total wastewater volume (6.94 million m³) in 2021 in Europe, 61% was treated by municipal wastewater treatment facilities and the rest by our own treatment plants. In 2021, we invested €998,000 in wastewater treatment technology.

In API, 8 of our production facilities have on-site waste water treatment plants. Of our total wastewater volume (2.34 million m³) in 2021 in API, 55% was treated by municipal wastewater treatment facilities and 45% by our own treatment plants.

Total water withdrawal and wastewater discharge 2021

	Europe (million m³)	API (million m³)
Total water withdrawal	19.2	5.8
Water discharge	6.9	2.1



O3 WATER REPLENISHMENT

100%

We aim to replenish 100% of the water we use sourced from areas of water stress.

What are your water replenishment programmes?

We continue to replenish the water we use in areas of water stress in partnership with local NGOs and community groups. Together with TCCC and The Coca-Cola Foundation (TCCF), we have set up several replenishment programmes across our territories in recent years.

In 2021, we managed 22 water replenishment projects in Europe and six in API. As a result, we replenished 25.4 million m³ of water across our territories - including 15.5 million m³ in Europe and 9.9 million m³ in API. This represents 226% of the water we sourced to make our drinks in areas of water stress in Europe, and 320% of the water we sourced to make our drinks across all sites in API^(B).



Australia

Project Catalyst, a joint collaboration between TCCF, sugar cane farmers in Queensland, Australia, WWF Australia, natural resource management bodies and the Federal Government, aims to reduce the agricultural run-off impacting the Great Barrier Reef. The project supports sugar cane growers to adopt beneficial and sustainable farming practice changes, and improve the quality of waters impacting the reef. Since 2009, the initiative has grown to include more than 130 farmers, improving the quality of 150 billion litres of water flowing into the reef and reducing run-off by 180 tonnes per year. In 2021, 8.1 billion litres of water have been replenished through the project.





Through TCCF, we supported two water replenishment projects (Stappersven and Demervallei) run by the conservation group, Natuurpunt. Together, these projects replenished 263 million litres of water in 2021. We also launched a partnership with TCCF and <u>Natuurpunt</u> to replenish 247 million litres of water a year over the next four years, through the redesign of heath and fenlands in the Aa river, which draws water from the same river basin as our production facility in Antwerp.



We continue our long-standing water replenishment programme in the Camargue region of France, supported by WWF France and TCCF. The aim of the programme is to restore the hydrology and biodiversity of the Étangs et Marais des Salins de Camargue, a protected coastal area of lagoons and salt marshes covering over 6,500 hectares. In 2021, 8.1 billion litres of water were replenished as a result of this initiative.



The Cam and Ely Ouse (CamEO), and Broadland River catchments cover 6,900 km², including a large section of high quality agricultural land. Agricultural pollution is a major issue, with 80%-90% of all water courses in Europe failing to meet Good Ecological Status under the EU Water Framework Directive. The water replenishment project led by <u>The Rivers</u> <u>Trust</u>, <u>Norfolk Rivers Trust</u> and TCCF, contributes to replenish high-quality water by reducing runoff (which can then infiltrate the soil) and also by filtering agricultural pollution. In 2021, 3.2 billion litres of water were replenished as a result.

(B) Includes data revisions captured after the publication of our 2021 Integrated Report in March 2022.





Indonesia

Together with The Coca-Cola Company and The Coca-Cola Foundation, we supported five local water replenish projects across Indonesia, replenishing 1.7 million litres of water in 2021. The majority of these projects involved the installation of infiltration wells which helped to increase the recharge of local aquifers. For example, in collaboration with FIFLD Foundation, we undertook a rainwater harvesting project in Jatiluhur Conservation in West Java, one of the water sources of our manufacturing site in Bekasi. We successfully established 854 infiltration ponds that will absorb around 6,8 million m³ of rainwater, providing a solution to lack of water availability and poor water quality that the reservoir previously encountered. This rainwater harvesting project also benefits around 3,416 individuals who live nearby the reservoir.



Portugal

In 2019, we launched <u>Plantar Água</u>, a project in partnership with Associação Natureza Portugal, WWF and TCCF. Through the project, we support the recovery of 100 hectares of Mediterranean forest which has been devastated by fires. By the end of 2022, over 50,000 trees and shrubs will be planted in order to improve the retention and absorption of rainwater. In 2021, we replenished 200 million litres of water.



In Spain, in partnership with WWF and TCCF, we support Misión Posible: Desafío Guadalquivir, a project based in Seville and Cádiz. The project aims to improve the irrigation of agricultural crops in the area and enhance the biodiversity of the Guadalquivir River by restoring local marshland. Thanks to this project, 633 million litres of water were returned to nature in 2021. In total, we replenished 3.7 billion litres of water across the eight water replenishment projects in Spain in 2021.



Together with TCCC and TCCF, we support the completion of De Liskes, a nature restoration project located in the same water catchment area as our Dongen production facility. The water replenishment project is being carried out in North Brabant by Natuurmonumenten. Large-scale restoration measures are being carried out on a centuries-old water system preserving an important habitat for birds, ducks and dragonflies. By restoring dykes, supply ditches and water control works, we aim to replenish 85.7 million litres of water a year.

What are your biodiversity and nature targets?

Preserving natural ecosystems is key to our long-term success and sustainability. We aim to leave nature in a better state than we find it, and are committed to restoring and enhancing biodiversity and nature, by building adaptation and resilience into our key operating and sourcing regions.

To protect and reinstate watershed that foster biodiversity, we are reducing our own water consumption and contributing to the secure access to water in priority areas via water replenishment activities, wetland restoration, and other initiatives.

Together with TCCC, we will aim to begin using the newly released Biodiversity guidance to the Natural Capital Protocol to start building a systematic framework for measuring and reporting the biodiversity benefits of our replenishment projects.

For more information on our approach please see our Approach to biodiversity and forest stewardship on our website.



O4 STAKEHOLDER ENGAGEMENT

How do you partner to improve water efficiency?

Effective conservation of water resources depends upon partnerships and collaboration. We collaborate with NGOs, local authorities, businesses and communities throughout our territories to improve water efficiency and protect the health of our watersheds.



France

As a result of increasingly frequent drought conditions and the continued depletion of groundwater levels, agricultural and industrial users of water in the Dunkirk region of France have been advised to reduce water use. In 2021, we engaged with French local government officials to discuss water allowances at our production facility in Dunkirk. Together with The Coca-Cola Foundation, we are working to develop a water replenishment programme, which will help to tackle local water stress and contribute to the long-term enhancement and protection of the local watershed.

The Netherlands

Our production facility in Dongen, the Netherlands, is based in an areas of high watershed stress. In 2021, we met local water supplier Brabant Water to discuss water reduction, reuse and replenishment opportunities at our production facility. As a result of our plans, our water extraction permit was extended, acknowledging our strong long-term water management strategy.



What directives or pledges do you support related to water conservation?

In 2020, together with TCCC, Coca-Cola Hellenic and 20 other leading global companies, we signed a joint statement to support and protect the <u>EU Water</u> Framework Directive. It provides a framework to ensure that freshwater ecosystems in Europe are protected and restored, and that water is sustainably managed in line with the UN SDGs.

