

# OUR APPROACH TO FOOD LOSS AND FOOD WASTE

## OUR APPROACH

Coca-Cola Europacific Partners (CCEP) takes the issue of food loss<sup>1</sup> and food waste<sup>2</sup> seriously. We are conscious of its environmental, social and economic impacts and are committed to minimising food loss and food waste across our operations – in line with UN Sustainable Development Goal 12.3. We have already committed to reducing food waste in our operations in Great Britain by 50% by 2030, and are currently developing a CCEP-wide food waste reduction target for 2030<sup>3</sup>.

## MANAGING FOOD LOSS AND FOOD WASTE

To achieve our waste reduction targets, we apply standard waste hierarchy principles.

### Waste hierarchy

1. Avoid	Minimise losses in the supply chain and bottling operations	<ul style="list-style-type: none"> <li>- Minimise losses at farms</li> <li>- Minimise water use</li> <li>- Avoid sugar and syrup losses</li> </ul>
2. Reuse	Alternative use to avoid loss	<ul style="list-style-type: none"> <li>- Manage beverage stock levels to avoid shelf life issues</li> <li>- Products close to shelf life are redistributed via the company shop, specialised short-shelf life retail or charity</li> </ul>
3. Recycle	Recycle for other use	<ul style="list-style-type: none"> <li>- Edible parts over shelf life to animal feed</li> <li>- Inedible parts send to land application as fertilizer</li> </ul>
4. Recover	Methanization or incineration with energy recovery	<ul style="list-style-type: none"> <li>- Inedible parts go to fermentation or incineration with energy recovery</li> </ul>
5. Waste	Landfill or incineration without energy recovery	<ul style="list-style-type: none"> <li>- Only if no alternative treatment is possible</li> </ul>

1. Food loss is defined as all beverage waste upstream from the retailer.

2. Food waste is defined as all beverage waste including and downstream from the supplier, including the consumer.

3. In May 2021, Coca-Cola European Partners completed the acquisition of Coca-Cola Amatil, becoming Coca-Cola Europacific Partners (CCEP). Following the acquisition we established a new business unit within our operating model: Australia, the Pacific and Indonesia (API). Content refers to Europe unless otherwise stated.

## PROGRAMMES TO MEASURE FOOD LOSS AND FOOD WASTE

Following these principles, we have established several programmes to reduce food loss and food waste throughout our value chain.

### Ingredient sourcing

We rely on a global supply chain to make, sell and distribute our products. We source ingredients for our drinks such as water, sugar beet, sugar cane, coffee, tea and fruit juices. We've made a joint commitment with The Coca-Cola Company (TCCC) to ensure that we sustainably source 100% of our priority agricultural ingredients and raw materials. Together with TCCC, we have identified 12 priority agriculture based ingredients. These are cane sugar, beet sugar, high-fructose corn syrup, stevia, orange, lemon, apple, grape, mango, coffee, tea and soy. Many of the purchases of these key ingredients are managed together with TCCC, and other Coca-Cola bottlers. As a result, we address many of the issues that we face in our supply chain as a joint Coca-Cola system.

In Europe, we require all our suppliers to comply with our Supplier Guiding Principles (SGPs) and Principles for Sustainable Agriculture (PSA), including those who supply ingredients for the non-TCCC brands that we produce and distribute, such as Capri-Sun and our energy brands. In Australia, the Pacific and Indonesia (API), we track compliance on sustainability through Responsible Sourcing Guidelines (RSGs), SGPs and PSA.

The PSA are aligned with leading global third-party sustainable farming standards and assurance schemes such as the Farm Sustainability Assessment of the Sustainable Agriculture Initiative Platform (SAI-FSA), Bonsucro and Rainforest Alliance. These voluntary standards define a set of practices or criteria for how a crop should be sustainably grown, underpinned by a robust and transparent implementation and assurance system. As a result, we apply the PSA with our suppliers through preferred external third-party standards and encourage our suppliers to use one of these standards to maximise value and reduce cost for suppliers and farmers.

The PSA include requirements on waste management, as well as harvest and postharvest handling. The PSA waste management requirement covers supplier requirements to store, transport and dispose of all waste, and provides requirements on the reuse and recycling of waste, and ensuring that waste is not incinerated on a farm, or disposed of via freshwater ecosystems. There are measures which require suppliers to properly manage organic waste with the goal of enhancing soil health, including through composting. The harvest and postharvest handling requirements include guidance to suppliers on managing harvest and postharvest packing, storage and transportation processes effectively to minimise losses and waste along the value chain.

## Minimising operational food waste

Our drinks are made in different serving sizes to fit the needs of our customers and consumers, helping to avoid food waste at the customer and consumer level.

All of our manufacturing sites follow strict quality procedures to ensure our drinks and packaging meet our high quality standards, and follow TCCC's Operating Requirements (KORE). The KORE requirements define the policies, standards and requirements for managing safety, the environment and quality throughout our operations. We also monitor bottling line efficiencies to minimise the production of products that are out of specification. We also monitor and aim to minimise our total water use, and track and report our total waste for all of our sites.

Our products have good shelf lives in ambient supply chains, which reduces the level of finished goods losses as a result of storage, spoilage and shelf life issues. We measure, track and manage our ingredients yields and full goods past shelf life losses in order to control costs and reduce the environmental impact of our operations.

## Redistribution of unavoidable food losses or food waste

Where we cannot avoid food loss or food waste, we aim to recover surplus drink products to redistribute to charity for human consumption or, if that is not possible, as a valuable input to animal feed.

To do this, we have established a process to identify where food loss occurs in our supply chain, and then manage that stock. Through this process, we are able to divert product away from traditional waste disposal systems such as anaerobic digestion, and maximise the amount of product sold or redistributed for human or animal consumption.

We follow the below process to redistribute food loss and food waste:

1. Identify the finished products which could result in food loss. This typically includes products that are:
  - a) unsaleable due to Best Before End (BBE) date or with short shelf lives
  - b) end of promotion
  - c) packaging and labelling faults/blemishes, retaining the quality of the product
  - d) packaging faults, such as coding/labelling errors
  - e) not in compliance with our quality standards
2. If these products are still fit for human consumption, we work with haulage and logistics providers to identify spare

capacity, to redistribute to local charity organisations (e.g., FareShare or Company Shop Group in the UK).

3. If products are not fit for human consumption, we determine whether the product could be used for animal feed. If it can be, we distribute the product to animal feed contractors.
4. If products cannot be used either for human consumption, or for animal feed, the products are taken by waste contractors for anaerobic digestion. Full goods (in packaging) that are not fit for human consumption or animal feed are taken by waste contractors, crushed, the packaging shredded and sent for recycling; and the liquid waste sent for anaerobic digestion.

## Food waste disclosure

We report on our food loss and food waste data as part of our annual sustainability reporting. Total waste data can be found in our [corporate data tables](#) (GRI-306-2). All of the figures below are included within our corporate reporting on the amount of waste which is recycled or composted. No food waste has been sent to landfill or incineration. We also report on food waste redistribution at a country level in some markets, in particular in Great Britain, Spain and Portugal, within our [country data tables](#).

The table below provides an overview on our food loss and waste across our business in Europe, over the past four years. No consolidated Europe and API data is available.

Food loss and waste (tonnes)	2018	2019	2020	2021
a) Redistributed for fertilizer (land application)	1,250	-	-	-
b) Redistributed for composted food waste <sup>4</sup>	358	453	58	66
c) Redistributed for anaerobic digestion – external waste water treatment	12,779	11,563	8,724	7,140
d) Redistributed for anaerobic digestion – on-site waste water treatment	-	-	7	5,345
e) Redistributed for animal feed	4,180	3,571	6,151	5,477
f) Redistributed for human consumption	244	334	3,407	689
<b>Total redistributed for alternative purposes (a-f)</b>	<b>18,811</b>	<b>15,921</b>	<b>18,347</b>	<b>18,718</b>
<b>g) Total packaging recycled (full goods sent for recycling, liquid waste sent for anaerobic digestion)<sup>5</sup></b>	<b>13,417</b>	<b>13,812</b>	<b>12,184</b>	<b>10,826</b>
<b>Total (recycled (g) and redistributed (a-f))</b>	<b>32,228</b>	<b>29,733</b>	<b>30,531</b>	<b>29,544</b>
<b>Food loss intensity (total recycled vs. total production volumes)</b>	<b>.0011</b>	<b>.0011</b>	<b>.0010</b>	<b>0.0009</b>

<sup>4</sup> Composted figure in our corporate data table notes 3,214 tonnes of composted waste. The 66 tonnes listed here are from food waste from manufacturing sites only.

<sup>5</sup> Full goods (in packaging) that are not fit for human consumption or animal feed are taken by waste contractors, crushed, the packaging shredded and sent for recycling; and the liquid waste sent for anaerobic digestion, captured in rows c and d above.