

Bringing new life to used packaging is top of our sustainability agenda

The amount of waste littering our planet has rightly received a lot of attention recently. I understand the strength of feeling about it because I too get annoyed when I see rubbish strewn in parks, beaches and our oceans.

As a company in the business of bottling, selling and activating beverage brands in 28 markets, we at Coca-Cola HBC understand the problem and our role in addressing it. Last year's World Environment Day theme was "beat plastic pollution", one year on, I wanted to reflect on what we have done to date to tackle this and what we can do better in future.

Many people ask me why we don't just stop using plastic. The challenge is that it is currently the best of all packaging materials available - because it is safe, hygienic, durable, flexible, resealable and recyclable and in terms of the environmental impact of its production and transport. The problems we are dealing with today arise mainly after use, either with plastic sitting in landfill or left as litter in the environment. However, this doesn't have to be the case. If we can get enough of the bottles back, with the right level of quality, they become a valuable raw material, as we can recycle and reuse them. And as technology advances, we are getting better at doing that.

A world without waste

Together, we and our strategic partners, The Coca-Cola Company, are embarking on a comprehensive, multi-year plan that directly addresses issues regarding packaging. This approach - World Without Waste - has a goal to collect and recycle the equivalent of a bottle or can for each one we sell by 2030.

As a step towards this, we at Coca-Cola HBC launched a set of commitments last year, to be achieved by 2025, and designed to ensure that we continue to drive sustainability through our entire business. These seek to make consumer packaging 100% recyclable; ensure that we source more of the total PET plastic we use from recycled PET; and commits us to help collect the equivalent of 75% of the containers used for our drinks.

99% recyclable

We have already made some big steps towards these targets.

For example, 99% of our packaging is now recyclable and we've identified opportunities to improve this further by ensuring compatibility between our packaging and existing recycling streams (e.g. through the use of the right colorants, additives and sleeves).

In support of our efforts to use more recycled PET (rPET), we have teamed up with third parties to ensure better access to rPET suppliers and technologies. For example, in Austria we have invested in a PET to PET plant, owning 20%, together with other FMCG companies, which has supported the delivery of our Austrian water brand Römerquelle in 100% rPET bottles this year.

And we announced a few days ago that from now onwards, every bottle within our Irish water brand, Deep RiverRock, will also be made from 100% recycled PET, with further water brands to follow this year, for example in Switzerland. Additionally, we will increase the percentage of rPET used in our Coca-Cola and Coca-Cola Zero bottles in Switzerland and Austria this year to 50%, while continuing to build our capabilities in this area across our portfolio in our 28 markets.

Progress in collecting waste

In 2018 we collected a Group-wide average of 45% of our packaging for recycling, in collaboration with our partners. We have launched some great initiatives to increase this further in our markets. For example, we took an active role in Russia last year to establish, together with the industry, the first Packaging Recovery Organisation (RusPRO). In parallel, we supported the initiative 'Separate with Us', which seeks to raise awareness around recycling and collect more used packaging.

In Nigeria, in partnership with local industry and stakeholders, we also helped establish the first Recovery Organisation. And we have supported projects to improve collection in several other countries, such as a PET collection project "Act with imPETus" in Poland and a pilot project of separate collection in the Ukraine.

Additionally, we work with other stakeholders to support various local collection schemes which, depending on local conditions, include Packaging Recovery Organisations and Deposit Return Schemes. We are part of 19 other packaging waste management schemes across our markets and we have a Group-wide policy on packaging waste and recycling, which provides the framework within which our countries operate.

Researching the alternatives

We know that there is more to be done and we continue to work with universities and other organisations to seek durable alternatives to plastic. For example, one big opportunity is in secondary packaging where we are looking to switch from plastic wraps to carton trays to maintain cans in packs of 4-24 drinks. We are confident that as technology advances, awareness increases and more and better sources of recycled food grade materials are produced, we can raise the bar higher in terms of the sustainability of our packaging and bringing new life to the materials already in circulation.

In addition to our efforts on packaging, our commitments, called "Mission Sustainability 2025", also seek to further reduce emissions from our operations as well as continuing to focus our minds and actions on water use and stewardship, ingredient sourcing, nutrition, wellness and wellbeing within our organisation and our communities. Our progress on these can be found in our Integrated Annual Report, here: <https://coca-colahellenic.com/en/investors/2018-integrated-annual-report/>

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