



EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

A common aspirational path
towards sustainable food systems

2023 PROGRESS REPORT FROM SUNTORY BEVERAGE & FOOD EUROPE

SUNTORY
BEVERAGE & FOOD EUROPE

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EXECUTIVE SUMMARY

SUGAR REDUCTION:

GOAL: 35% added sugar reduction by 2025

RESULT: 24% added sugar reduction YTD



WASTE REDUCTION:

GOAL: Zero waste to landfill

RESULT: 95% of factory waste was recycled in 2022

SUSTAINABLE AND RECYCLED PACKAGING:

GOAL: 50% recycled plastic in our bottles by 2025 or sooner

RESULT: An average of 36% recycled plastic in European portfolio YTD



RECYCLABILITY:

GOAL: Ensuring our packaging is 100% recyclable by 2025

RESULT: 75% recyclability YTD 2022

REDUCING EMISSIONS:

GOAL: 50% reduction in GHG emissions scope 1 & 2 by 2030

RESULT: 18.9% reduction YTD

GOAL: 30% reduction in GHG emissions scope 3 by 2030

RESULT: 12.9% reduction YTD



WATER REDUCTION:

GOAL: 20% reduction in water use across our operations by 2030

RESULT: 15% water reduction YTD 2022

ASPIRATIONAL OBJECTIVE

HEALTHY AND SUSTAINABLE DIETS FOR EUROPEAN CONSUMERS

SUGAR REDUCTION

COMMITMENTS:

35% added sugar reduction by 2025

Baseline: 2015



PROGRESS:

24% added sugar reduction from our baseline

Status: 2022

- Sugar reduction in the Schweppes formulas for Poland removed 1000t of sugar in 2022. This represents a reduction of approximately 30%.
- In France we reduced sugar from Oasis, the sugar reduction in 2022 was 1.1%/100ml, equivalent to 2200t sugar removed.
- In the UK and Ireland, we have introduced a zero or low-calorie alternative for each of our best-selling drinks. For the Ribena concentrate variant, we reduced the sugar by 0.2g/100ml – for both the UK and Ireland markets, with the result that the product is no longer classified as HFSS.
- Since 2016 we have reformulated nearly 300 drinks across our European portfolio.
- Sales of drinks with less than 5g of sugar/100ml have tripled since 2015 supported by new product development and investment in consumer facing marketing campaigns.

POLICY RECOMMENDATION:

- Not all Front of Pack labelling systems equally recognise the industry's reformulation efforts. While shaping consumer demand through labelling constitutes a major incentive to change product portfolios, we support a harmonised scheme that relies on a clear, science-based and non-discriminatory algorithm that shall reflect reformulation efforts to reduce products' sugar and calorie content.
- Our move towards healthier drinks also reflects, and contributes to, a wider change in consumer preferences. To understand and plan for consumer responses to any changes to their favourite drinks, we invest in sensory trials and consumer research throughout the reformulation process. As a result, over the last five years, sales of our low and no sugar drinks (less than 5 grams of added sugar per 100ml) have tripled. However, regulatory enablers and greater consumer acceptance of sweetener alternatives are still lacking and should be addressed as part of a coherent nutrition policy.

ASPIRATIONAL OBJECTIVE

PREVENTION & REDUCTION OF FOOD WASTE

IMPROVING OUR INTERNAL OPERATIONS

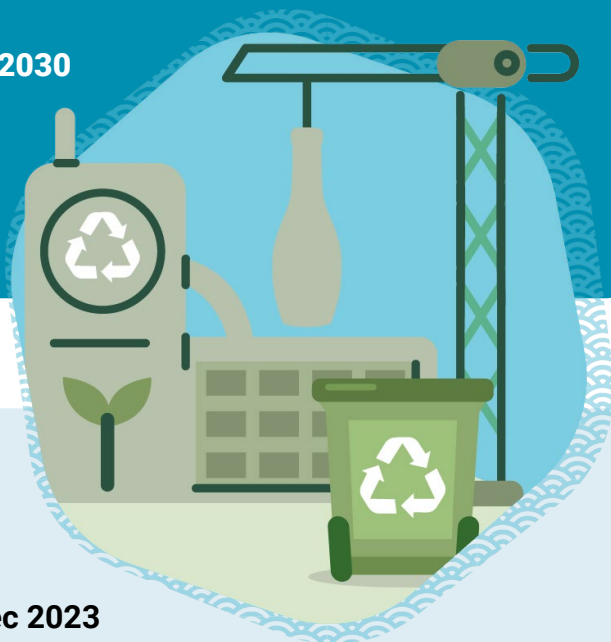
COMMITMENTS:

Reducing food waste from production by 50% by 2030

Baseline: 2021

0% waste to landfill from our factories

Baseline: 2019



PROGRESS:

95% of factory waste was recycled in 2022

Our target is to achieve 0% waste to landfill by Dec 2023

- We have strong relationships with food banks in Ireland, Netherlands, Belgium, Poland, Spain and France which we support financially as well as with product donations.
- Throughout 2022 we worked to improve waste management systems in the factories by working on the segregation of waste and collaborating with our waste contractors to recycle more efficiently and finding new opportunities for recycling.

POLICY RECOMMENDATION:

- As part of the EU initiative to revise the Waste Framework Directive, the EC should consider introducing a harmonised legal framework for regulating practices on 'surplus and about-to-expire food' for the entire supply chain and across the EU.

ASPIRATIONAL OBJECTIVE

AN OPTIMISED CIRCULAR AND
RESOURCE-EFFICIENT FOOD
CHAIN IN EUROPE

SUSTAINABLE AND RECYCLED PACKAGING

COMMITMENTS:

100% sustainable plastic bottles by 2030, switching to recycled and biobased materials, and fully moving away from fossil fuels-based virgin plastic.

This includes using a **minimum of 50% recycled plastic** in our bottles by 2025 or sooner.

Baseline: 2019



PROGRESS:

Our European portfolio of brands now contains an average of 36% of recycled plastic (rPET).

- In 2022 Schweppes in Spain moved to 100% rPET, and in the same year, local brand La Casera put 25% recycled content into its portfolio.
- In 2022 Lucozade Sport, the best-selling sports beverage in the UK and Ireland moved to 100% rPET.
- Suntory Beverage & Food Europe continues to invest in new, innovative technologies including being a member of the Carbios consortium, dedicated to bringing enzymatic recycling at scale to enable circularity.

POLICY RECOMMENDATION:

- We believe in circularity and that under the Packaging and Packaging Waste proposal (PPWR) minimum requirements, priority access should be secured for the soft-drinks sector to high-quality, food-grade recycled feedstock from the deposit-return schemes to support strong progress on recycling rates and to avoid downcycling.
- The PPWR proposal does not clarify whether innovative recycling technologies are considered as providing secondary raw materials for recycled content calculations. We need enabling legislation for such technologies.

ASPIRATIONAL OBJECTIVE

AN OPTIMISED CIRCULAR AND
RESOURCE-EFFICIENT FOOD
CHAIN IN EUROPE

RECYCLABLE PACKAGING

COMMITMENTS:

Ensuring our **packaging is 100% recyclable by 2025** by designing for circularity.

Baseline: 2019

MEET
THE NEWLY
DESIGNED
LUCOZADE
BOTTLE



PROGRESS:

75% recyclability in 2022 (average across SBFE product portfolio) v 77% 2021

- In 2022 Lucozade Sport, the best-selling sports drink brand in the UK and Ireland removed its full sleeve plastic wrap, replacing it with a small partial plastic sleeve. This means the container is recyclable at the end of life and enables circularity.
- Our packaging development and engineering teams have been working to transition our plastic beverage containers to have tethered caps in line with the Single Use Plastics Directive.
- In Spain, we switched from plastic shrink to cardboard rings in 2022 for all of our cans and glass bottles.

POLICY RECOMMENDATION:

- The reuse/refill targets in the Packaging and Packaging Waste proposal should reflect their environmental impact and the economic consequences of a rapid transition to reuse. Provide the flexibility necessary, including adequate transition periods, to achieve said targets and safeguard competitiveness.
- Conduct a thorough environmental impact assessment on reuse and refill targets that considers all inputs.

ASPIRATIONAL OBJECTIVE

A CLIMATE NEUTRAL FOOD CHAIN IN EUROPE BY 2050

REDUCING EMISSIONS

COMMITMENTS:

50% reduction in GHG emissions
scope 1 & 2 by 2030.

30% reduction in GHG emissions
scope 3 by 2030.

Net zero emissions by 2050 or sooner
across whole value chain

Baseline: 2019



PROGRESS:

2022 carbon footprint overall reduction of 1.9% v 2021, 13.1% reduction v 2019 baseline

Scope 1,2 18.9% reduction v baseline

Scope 3 12.9% reduction v baseline

- We continue to use 100% renewable purchased electricity for our factories and owned buildings in the EU and UK.
- In 2022, we optimised our energy efficiency by reducing the energy ratio Kwh/t of finished products.
- We upgraded and optimised our equipment and systems.
- We increased our monitoring and targeting capabilities.
- We are currently working on more electrification of our factories and boiler replacement.

ASPIRATIONAL OBJECTIVE

AN OPTIMISED CIRCULAR AND
RESOURCE-EFFICIENT FOOD
CHAIN IN EUROPE

WATER REDUCTION

COMMITMENTS:

**20% reduction in water use across
our operations by 2030**

Baseline: 2019



PROGRESS:

In water reduction, we reached 15% in 2022

- In 2022 we focused on reducing our water use ratio for every litre produced.
- In addition to water reduction activities at our factories, we also invest in water conservation and education initiatives.
- In Spain, in 2022 we launched Guardianes del Tajo, a new water conservation project operating in the Guajaraz reservoir (supplying our Toledo factory) which aims at engaging with local people to raise awareness on issues surrounding the water ecosystem.
- A new water education programme launched in the UK in April 2022 in association with charity Severn Rivers Trust