

EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

SUNTORY BEVERAGE & FOOD EUROPE
REPORT SUBMITTED ON 26 APRIL 2023

Type of business/sector <i>(E.g. retail, dairy)</i>	Sustainability dimension <i>(E.g. environmental, social)</i>	Code aspirational objective <i>(1-7)</i>	Individual commitments with baseline	Progress on KPIs and goals (qualitative and/or quantitative)	Additional information (optional) <i>(E.g. partnerships, geographical coverage, sharing best practices, links with other COM initiatives, with other reporting initiatives)</i>	Comments (optional) <i>(E.g. enablers, ideas on how to improve)</i>
Beverages, FMCG	Healthy and sustainable diets, social	1	35% added sugar reduction by 2025. Baseline: 2015	24% added sugar reduction from our baseline Status: 2022	<ul style="list-style-type: none"> • Sugar reduction in the Schweppes formulas for Poland removed 1000t of sugar in 2022. This represents a reduction of approximately 30%. • In France, the sugar reduction from Oasis 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 most famous drinks. For the Ribena concentrate variant, we reduced 	<ul style="list-style-type: none"> • Not all Front of Pack labelling systems equally recognise 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

					<p>sugar by 0.2g/100ml for both the UK and Ireland markets, with the result that the product is no longer classified as HFSS.</p> <ul style="list-style-type: none"> • Since 2016, we have reformulated nearly 300 drinks across our European portfolio. 	<p>efforts to reduce products' sugar and calorie content.</p> <ul style="list-style-type: none"> • 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 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.
Environmental, social	2	<p>Reducing food waste from production by 50% by 2030</p> <p>Baseline: 2021</p>	<ul style="list-style-type: none"> • 95% of factory waste was recycled in 2022 	<ul style="list-style-type: none"> • 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. 	<p>As part of the EU initiative to revise the Waste Framework Directive the EC should consider introducing a harmonised legal framework</p>	

		<p>0% waste to landfill from our factories</p> <p>Baseline: 2019</p>	<ul style="list-style-type: none"> • Our target is to achieve 0% waste to landfill by Dec 2023 	<ul style="list-style-type: none"> • 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. 	<p>for regulating practices on 'surplus and about-to-expire food' for the entire supply chain and across the EU.</p>
<p>Environmental, circular economy</p>	<p>4</p>	<p>100% sustainable plastic bottles by 2030, switching to recycled and biobased materials, and fully moving away from fossil fuels-based virgin plastic.</p> <p>This includes using a minimum of 50% recycled plastic in our bottles by 2025 or sooner.</p> <p>Baseline: 2019</p>	<ul style="list-style-type: none"> • Our European portfolio of brands now contain an average of 36% of recycled plastic (rPET) <small>Measured Dec 2022</small> 	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • We believe in circularity and that under the 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 an enabling legislation for such technologies

<p>Environmental, circular economy</p>	<p>4</p>	<p>Ensuring our packaging is 100% recyclable by 2025 by designing for circularity.</p> <p>Baseline: 2019</p>	<ul style="list-style-type: none"> • 2022 75% recyclability (average across SBFE product portfolio) v 77% 2021 	<ul style="list-style-type: none"> • 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 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. 	<ul style="list-style-type: none"> • 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.
<p>Environmental, circular economy</p>	<p>4</p>	<p>20% reduction in water use across our operations by 2025</p>	<p>In water reduction we reached 15% in 2022</p>	<ul style="list-style-type: none"> • 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 	<p>The importance of sustainable water management and risk of water scarcity should be part of the discussion on PPWR. The proposal mandates reuse systems which will be more water intensive for the cleaning and sanitisation of beverage bottles. MS should retain the ability to adapt requirements based on the availability of water in their territories</p>

				<p>factory) which aims at engaging with local people to raise awareness on issues surrounding the water ecosystem: more than 500 children from schools in Toledo involved.</p> <ul style="list-style-type: none"> • A new water education programme launched in the UK in April 2022 in association with NGO Severn Rivers Trust 	
Environmental, climate-neutrality	3	<p>50% reduction in GHG emissions scope 1 & 2 by 2030.</p> <p>30% reduction in GHG emissions scope 3 by 2030.</p> <p>Net zero emissions by 2050 or sooner across whole value chain.</p> <p>Baseline: 2019</p>	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • 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 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 boilers replacement. 	