



3rd Progress Report

UNESDA COMMITMENTS

**TO THE EU CODE OF
CONDUCT ON RESPONSIBLE
FOOD BUSINESS AND
MARKETING PRACTICES**

July 2024

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INTRODUCTION

Established in 1958, UNESDA Soft Drinks Europe is the Brussels-based EU trade association representing the non-alcoholic beverages sector. Its membership comprises 25 national associations from across Europe and 10 corporate members.

UNESDA members are involved in the production and/or distribution of a wide variety of non-alcoholic beverages including still drinks, carbonated drinks, energy drinks, iced teas, flavoured waters and sports drinks.

Europe's soft drinks sector is rooted in the European economy and society, employing 1.8 million people both directly and indirectly, throughout its €242 billion value chain. With over 500 soft drinks production and bottling plants across Europe, we manufacture more than 97% of our soft drinks on the continent and source over 85% of our ingredients from Europe.

Discover more about our sector's socio-economic impact [here](#).

UNESDA continues to fully support the EU's ambition to deliver sustainable food and drinks production and consumption. In this context, our industry welcomed the initiative to draw up an EU Code of Conduct for responsible food business and marketing practices, including actions to create a more sustainable food system and reduce its overall environmental footprint in the EU. **We believe the EU Code of Conduct should remain an important pillar of the new European Commission's programme.**

UNESDA was among the first signatories of the EU Code of Conduct, including our own corporate members, and we are encouraged to see the number of signatories continuously increasing. Collective action from all actors in the food value chain is needed to deliver meaningful and wider impacts.

The EU Code of Conduct continues to offer a unique opportunity to accelerate Europe's transition to more sustainable food systems, and our sector has therefore made several commitments to support this transition. Those commitments are linked to the following aspirational objectives identified by the EU Code of Conduct:

- Aspirational objective 1: healthy, balanced and sustainable diets for all European consumers
- Aspirational objective 4: an optimised circular and resource-efficient food chain in Europe

With a view to making the **“healthier choice the easy choice”**, UNESDA’s principal focus is to continue its long journey of promoting responsible marketing practices towards children and achieving sugar reduction through different levers (incl. reformulation, offering smaller pack sizes for better portion control and nudging the consumer towards no- and low-calorie soft drinks).

When it comes to the EU’s objective of **“accelerating the transition towards a circular economy”**, our sector is taking numerous actions to achieve full circularity of its beverage packaging, investing in collection, recycling, reuse and refill, and continuously increasing the energy efficiency of its operations.



Over the past year, we have made good progress in our EU Code of Conduct commitments. As highlighted in this third progress report, the soft drinks beverage companies delivered clear actions that support the changing needs of our consumers and protect our environment.

Our industry has reduced average added sugars in our soft drinks by an impressive 10.8% since 2019, thereby achieving our target of a 10% reduction in average added sugars - two years ahead of time.

We advanced the circularity of our beverage packaging by increasing our use of recycled PET plastic. Nearly 40% of the PET now used in our plastic bottles comes from recycled content.

This progress demonstrates that our actions are having an impact. We believe that the transparency of the EU Code of Conduct gives businesses and industry the opportunity to demonstrate their action on commitments, and should remain a key pillar of the new European Commission’s strategy.

Peter Harding

President of UNESDA Soft Drinks Europe and
President of Suntory Beverage & Food International



HEALTHY, BALANCED AND SUSTAINABLE DIETS FOR ALL EUROPEAN CONSUMERS

(Referring to aspirational objective 1
of the EU Code of Conduct)



For several years, UNESDA and its members have made significant investments in reformulation and new product development to reduce sugar in our soft drinks, as part of our actions to support healthier lifestyles in Europe. We have achieved a 13.3% reduction in average added sugars in our soft drinks between 2000 and 2015 and a 14.6% reduction between 2015-2019 in the EU-27 and the UK. **Thanks to our latest actions, we reached a 10.8% reduction in average added sugars between 2019 and 2023. This means we have achieved already in 2023 our 2019-2025 sugar reduction target of 10%!**

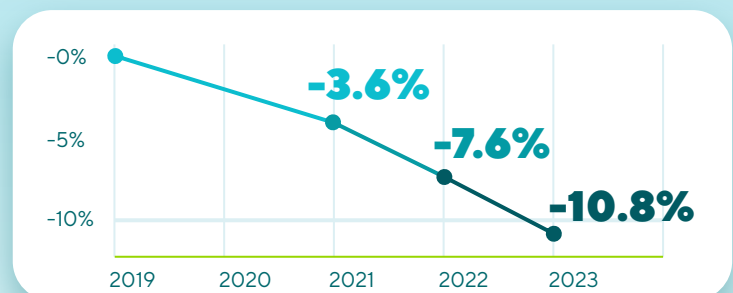
COMMITMENT



UNESDA committed to reducing the average added sugars in our soft drinks by a further 10% between 2019 and 2025 in the EU-27 and the UK. This will represent an overall industry-wide commitment to a reduction of 33% in average added sugars since 2000.

LATEST RESULTS

The sector delivered a 10.8% reduction in average added sugars in its soft drinks between 2019 and 2023 across Europe, as indicated by data analytics and consulting company GlobalData. This represents an additional reduction of 3.2 percentage points from 2022.



As demonstrated by the progress we have made, we accelerated our sugar reduction efforts in 2023. To continue these actions, it is critical that EU public authorities and regulators:

- support the **use of low- and no-calorie sweeteners**, based on sound scientific evidence, and recognise their important role in achieving public health objectives, including reducing overweight and obesity. Our actions to make further progress in sugar reduction are largely dependent on our ability to use sweeteners.
- develop **evidence-based dietary recommendations** that treat equally ingredients approved as safe for use by health authorities.
- encourage other food and drink sectors to take **additional voluntary initiatives** to reformulate products. These actions are more effective than regulation to encourage healthier dietary habits.



MARKETING & ADVERTISING PRACTICES



Over the past 15 years, UNESDA and its members have implemented an effective Responsible Marketing Code of Conduct in full respect of parents' responsibility for what their children eat and drink. Since 2006, we do not advertise or market ANY of our soft drinks to children under 12 years of age, neither on TV, nor in print media or online. We have taken this a step further with our new commitment in 2021, mentioned below, effective on 1 January 2022.

COMMITMENT

UNESDA committed:



- **not to advertise and market any of our soft drinks to children under 13 (versus under 12) years across all media.** This includes TV, radio, in print, in cinemas and online, including social media and other online platforms and sites (company-owned websites and video-sharing platforms such as YouTube). It also includes direct marketing, product placement, interactive games, outdoor marketing, mobile marketing and contracted influencers.
- to **lower the audience threshold from 35% to 30%** so that in practice fewer young children will be directly exposed to advertising for any of our soft drinks.

LATEST RESULTS

As last year was the first time this new commitment was monitored, only current compliance levels can be reported. Information on the progress in compliance levels will be available next year when compliance will be monitored again, as allowed by the EU Code of Conduct reporting requirements. The 2022 audits were carried out by independent marketing and media consultancy Ebiquity (television) and the European Advertising Standards Alliance (websites, social media and influencers).

UNESDA corporate members have demonstrated high levels of compliance across channels:



We will continue to strengthen and reinforce our responsible marketing and advertising practices to respond to societal expectations and an evolving media landscape. The positive impact of our practices is demonstrated by the fact that soft drinks consumption across different age groups (children and adolescents) has decreased across Europe, as indicated in the WHO HBSC surveys. Check out the data [here](#).

UNESDA calls on EU public authorities and regulators to ensure regular and reliable pan-European monitoring of food and drink consumption intakes and patterns across Europe to better understand what interventions are needed and can be effective.



Schools are a central setting for children’s learning experiences and have an impact on shaping their level of knowledge and exposure to influences, including related to food and beverages. School policies have therefore the potential to encourage children to develop life-long healthier eating and drinking habits. UNESDA and its members remain committed to our responsible school policy to continue to do our part in creating healthier dietary habits across Europe.

COMMITMENT



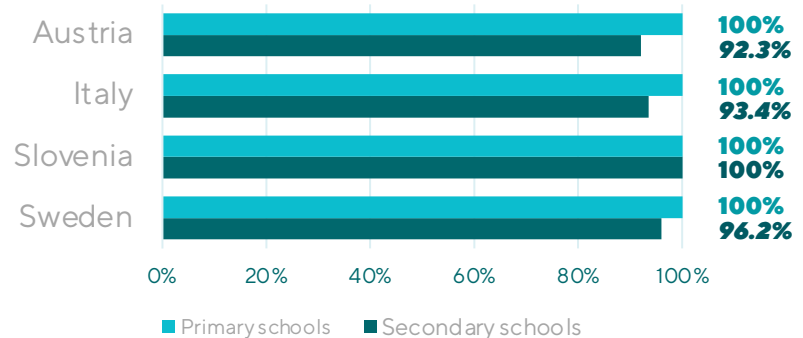
UNESDA is committed:

- **not to sell** any of its soft drinks in **EU primary schools** (through direct distribution) since 2006.
- to **selling only no- and low- calorie soft drinks in EU secondary schools** (through direct distribution) since 2017, reinforcing its 2006 commitment to only use non-branded vending machines.

LATEST RESULTS

The monitoring of UNESDA’s school commitment was carried out by third-party auditors BVA-BDRC. It is performed every two years in a group of different countries where there is a voluntary school commitment in place. The 2020 monitoring was conducted in Germany, Slovakia and Spain. **The 2022 monitoring was conducted in Austria, Italy, Slovenia and Sweden, and the 2024 results will be available next year.**

The 2022 monitoring of UNESDA’s school commitment was carried out in these four countries and the results show high levels of compliance:



UNESDA and its members will continue to intensify their efforts to ensure that our school commitments are implemented across the EU and to address the non-compliant cases. We have noticed that in some cases our soft drinks are brought in the schools directly by teachers/school staff, and this is therefore out of our sector’s control. We will strengthen our cooperation with schools to address these forms of sales.

We ask EU public authorities and regulators to encourage other food and drink categories to act, because only coordinated efforts from the entire food value chain can bring about wider changes.

AN OPTIMISED CIRCULAR AND RESOURCE- EFFICIENT FOOD CHAIN

(Referring to aspirational objective 4
of the EU Code of Conduct)

COLLECTION



Packaging sustainability starts with full recyclability and high collection rates. Efficient and well designed collection schemes are crucial to ensure that no packaging is wasted. UNESDA has been supporting the establishment of Deposit and Return Systems (DRS) in several European countries as one of the most effective ways to boost collection rates of beverage packaging.

COMMITMENT

WILL ACHIEVE
90%
COLLECTION
RATE BY 2030

UNESDA committed to achieve 90% collection of the sector's PET bottles, glass bottles and aluminium cans by 2030.



PET
BOTTLES



GLASS
BOTTLES



ALUMINIUM
CANS

LATEST RESULTS

Currently, there are 14 EU countries with DRS in place (**3 more than in 2022**), with the Romanian (2023), Irish (2024) and Hungarian (2024) DRS being the latest additions.


91%
MEDIAN
COLLECTION
RATE IN 2023

In 2023, EU DRS* achieved a **median collection rate of 91%** (all materials combined).

* except Croatia, where the most recent data are from 2020


75%
OF PET BOTTLES
WERE SORTED FOR
RECYCLING IN 2022

In 2022, **75% of PET bottles** (representing almost 70% of the soft drinks packaging) **were sorted for recycling** (compared to 64% in 2020). This represents an increase of 11 percentage points.

UNESDA supports, together with the NGO community, a wider roll-out of DRS in Europe and welcomes the [minimum requirements for DRS](#) in the EU Packaging and Packaging Waste Regulation (PPWR) as a way to ensure these systems are set up and run in the most effective and cost-efficient way.



RECYCLING



Packaging sustainability is also about ensuring that the materials being collected are recyclable and effectively recycled, preferably in a closed-loop. The soft drinks sector is making huge investments in designing recyclable packaging and using more recycled content.

COMMITMENT

UNESDA is committed to only use packaging that is circular by design and boost the uptake of recycled PET (rPET).

100%
WILL BE RECYCLABLE
BY 2025

By 2025:

- Our beverage packaging (plastic, metal, glass) will be 100% recyclable
- 50% of the PET used in our plastic bottles will be recycled PET

100%
RECYCLED
AND/OR RENEWABLE
MATERIAL BY 2030

By 2030:

- Aim for all our PET bottles to be made from 100% recycled and/ or renewable material if technically and economically feasible

LATEST RESULTS

100%
OF PACKAGING
IS ALREADY RECYCLABLE
FOR MOST OF UNESDA
CORPORATE MEMBERS

A majority of UNESDA corporate members have now either already achieved the objective of **100% recyclability** or **are very close** (some having progressed to 99% in the past year).

AN AVERAGE OF
39.6%
OF THE PET USED IN OUR
PLASTIC BOTTLES WAS
RECYCLED PET IN 2023

Between 2022 and 2023, UNESDA corporate members **increased by 7 percentage points** their use of rPET. As a result, in 2023, **an average of 39.6% of the PET used in the manufacturing of our plastic bottles was recycled PET.**

Ensuring that collected recyclable packaging is recycled in a closed-loop system is key. It will enable our sector to meet the EU mandatory recycled content targets as well as our own voluntary targets.

UNESDA has joined forces with the NGO community to call for the creation of a well-functioning secondary raw materials market that provides a fair access to sufficient food-grade feedstock for recycling. This will promote high-quality recycling and prevent downcycling.



REUSE

Packaging sustainability can be achieved through a range of complementary solutions, including recycling, reducing the amount of beverage packaging, reuse and refill.

Various reusable and refill solutions are on the market, but they all have one point in common: they will contribute to reducing the amount of beverage packaging and beverage packaging waste.

COMMITMENT



UNESDA committed to reduce its packaging carbon footprint and increase the use of reusable beverage systems. This means using more reusable beverage systems by 2030 compared to 2020 and studying the best environmental and economic pathways to increase the use of reusable and refillable models.

LATEST RESULTS

To provide insights into the investments and changes required to increase the rate of reuse, UNESDA commissioned an economic study on returnable refillable PET bottles from PwC, which was finalised end of 2021. The study is available [here](#).

UNESDA's corporate members are consistently taking steps to increase their offer of reusable beverage systems in Europe. The next progress data will be available next year.

To ensure a smooth transition to more reusable beverage packaging, UNESDA calls for the swift adoption of the necessary secondary legislation to properly and effectively implement the reuse targets set in the EU Packaging and Packaging Waste Regulation. In particular, a better understanding of how those targets will be calculated is paramount for business predictability.



ADDITIONAL ACTIVITIES TO SUPPORT OUR SUSTAINABILITY COMMITMENTS

- 1** Over the past years, UNESDA **has supported the European PET Bottle Platform (EPBP)**, an industry initiative which provides PET bottle design guidelines for recycling and helps PET bottle users in evaluating packaging solutions and technologies during their R&D phase where adjustments can still be made to mitigate recycling challenges. Recently, UNESDA has increased its efforts in giving greater visibility to the work of the EPBP, and strongly encourages its members to seek EPBP support.
- 2** UNESDA is also an **active member of Close The Glass Loop, and the Global Beverage Can Circularity Alliance**. These platforms, which are taking meaningful action in Europe, aim to **drive circularity of glass bottles and aluminium cans**, respectively. They serve as an important lever to foster community engagement and collaboration towards our shared circularity goals.
- 3** With the help of Blonk Consultants, UNESDA developed in 2023 “shadow” **PEF category rules (PEFCR) specific to the soft drinks category** in order to support its members in assessing the environmental footprint of their products in a more harmonized way. To further facilitate the use of those rules, UNESDA also worked with Pilario, a web-solution provider, to create a **user-friendly and tailored platform**, integrating all the key elements of the soft drinks PEFCR, and providing access to all UNESDA members (direct and indirect). This new tool is expected to support UNESDA members in their transition towards more sustainable packaging by streamlining the way they perform LCAs.
- 4** To support the proper implementation of the new DRS-related obligations under the Packaging and Packaging Waste Regulation (PPWR), UNESDA plans to commission the development of a **DRS Playbook**, a tool providing practical tips for the set up of new DRS in the EU, reminding the mandatory requirements of the PPWR and providing recommendations based on our sector’s experience with beverage packaging collection.



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