



Progress report 2021 of Coca-Cola Europacific Partners Deutschland GmbH on the Leadership Commitment of the “Biodiversity in Good Company” Initiative

Reporting period 10/2019 – 11/2021

Coca-Cola Europacific Partners Deutschland is a member of the “Biodiversity in Good Company” initiative, acknowledges the seven items of the Leadership Commitment and implemented them as follows.

Leadership Commitment:

The undersigned companies acknowledge and support the three objectives of the international “Convention on Biological Diversity” (CBD)

- Conservation of biological diversity
- Sustainable use of its components
- Fair and equitable sharing of the benefits that arise out of the utilisation of genetic resources

and commit to:

1. Analyse the impacts of corporate activities on biological diversity and current operational dependencies with regard to biological diversity;
2. Integrate the protection of biological diversity, the sustainable use of components and the equitable sharing of benefits derived from use – the three objectives of the Convention on Biological Diversity (CBD) – into sustainability management systems;
3. Appoint a responsible individual with the company to steer all activities in the biodiversity sector;
4. Define realistic and measurable objectives to improve the protection of biological diversity and its sustainable utilisation, to be monitored and adjusted every two to three years, and identify challenges;
5. Publish activities and achievements related to biological diversity in the company's annual, environmental and sustainability report;
6. Inform suppliers about the company's biological diversity objectives and integrate suppliers step by step;
7. Explore the potential for co-operation with scientific institutions, non-governmental organisations and / or governmental institutions with the aim of deepening dialogue and continuously improving the biodiversity management system.

1. Corporate information

Coca-Cola Europacific Partners Deutschland GmbH is Germany's largest beverage company. At 14 sites across all regions in Germany the around 7,000 employees produce and sell different branded products in the most important segments of non-alcoholic beverages.

2. Corporate interactions with biodiversity and ecosystem achievements

As a producer of soft drinks, we are highly dependent on biological raw materials and ingredients. And as a business corporation, we must contribute to a sufficient provision of ecosystem achievements not only since the adoption of the SDGs. Resource efficiency is significant but is far from being sufficient to protect our natural livelihood. The public goods debate shows that ecological responsibility involves both the dealing with nature as an economic foundation as also with "pristine nature".

3. Integration of biodiversity into the corporate management system

With a view to an efficient, target-oriented management and control within the organisation, we rely on an integrated management system. In this connection each of our production sites has been certified according to the following standards:

- Food safety (DIN EN ISO 22000:2015 + PAS 220 or FSSC 22000:Version 4.1)
- Quality management (DIN EN ISO 9001:2015)
- Environmental management (DIN EN ISO 14001:2015)
- Energy management (DIN EN ISO 50001:2018)
- Occupational Safety (OHSAS 18001:2007)

An environmental manager manages the local environmental and energy coordinators centrally at the production sites and deals with ongoing improvements of the environmental achievements and projects on biodiversity.

Sustainable sourcing

In 2021 the principles for sustainable agriculture of The Coca-Cola Company ([Principles for Sustainable Agriculture – PSA](#)) were revised. The guidelines protect the conservation of natural habitats, biodiversity and ecosystems, secure human and workplace rights, support animal health and welfare and contribute towards the development of prospering communities. They show how our work supports the

restoration and improvement of the biodiversity. They are an iteration of the Sustainable Agricultural Guidance Principles (SAGP) and describe the Company's first principles for sustainable agriculture based on environmental, social and economic criteria. We oblige our suppliers by contract to comply with the PSAs and SAGPs. Independent auditors audit our suppliers according to the Sedex SMETA 6.0 social standard. With the platinum award of EcoVadis we are worldwide among the 1% of CSR achievers among the companies assessed by EcoVadis.

In July 2021 CCEP (Europe) published our [Approach to Biodiversity and Forest Stewardship](#) – which defines our position concerning natural ecosystems. It is based on the new PSAs and the most recent activities by TCCC on the assessment of natural capital.

Compliance with internationally recognised social and ecological minimum standards: moreover, our Code of Conduct ([Code of Conduct](#)) ensures that we act in all business relations in conformity with all applicable laws, regulations and guidelines with integrity and responsibility.

We rely on a close co-operation and an open dialogue with our suppliers.

4. Areas and functions in charge

At CCEP sustainability is an integral part of the corporate strategy and culture. An essential prerequisite to a successful embedding of sustainability in all processes of our core business is for us a lean organisational structure with clear responsibilities. We have integrated sustainability topics into all relevant management elements, including our business plans and our recommended stakeholder management.

Our biodiversity agenda is primarily driven by three corporate areas which act in close co-ordination. Within CCEP this is for the German Business Unit the Sustainability Department, the Quality, Environment, Safety and Health Department as well as the Procurement Department. Moreover, there is an intercompany exchange between CCEP and TCCC. Responsibility for the initiation and management of biodiversity projects lies with the Sustainability Department, whereby costs are covered by both German and European CCEP budgets as well as TCCC budgets. Internal and external communication on the projects is managed jointly depending on the different communication channels, but the Sustainability Department has the main

responsibility for checking communication and reporting to the executive management.

5. Objectives of corporate biodiversity management

The European [Action plan "This is forward"](#) for CCEP and the Western Europe Business Units with objectives, commitments and measures until 2025 was elaborated in 2017 on the basis of the existing sustainability priorities and a comprehensive stakeholder dialogue with our partners – NGOs, politicians, scientists, representatives of the civil society, trade unions, customers and employees.

For four of the six sustainability areas from the action plan, biodiversity takes centre stage.

Supply Chain

Biodiversity not only constitutes our livelihood but also secures our supply chain of tomorrow for the production of our beverages.

- We will ensure that 100% of our most important agricultural ingredients such as sugar and raw materials as well as PET for our packages will originate from sustainable sources.
- Target value 2020: 100% suppliers audited on sustainability, ethics and human rights.

Water

Water is an important resource and the most important ingredient for our beverages. Consequently, a careful handling of water is one of the priority areas of our environmental management. Our water management is based on several levels to promote biodiversity.

Protect water

- We will sustainably protect the water sources we use for the coming generations. We take measures to ensure that our water withdrawal at the production sites has no negative impact on the environment.
- Avoidance of water withdrawal risks at all sites: execution of the "Source Vulnerability Programme".

Reduce water consumption

- We want to further reduce our water consumption and will reduce the water use ratio in our production by 20% (2010-2025) – and address at the same time the water topic with our partners in our supply chain.
- Increase in the water efficiency in our production: reduction of the water consumption per litre finished beverage (2020: 1.69 litre per litre finished beverage).

Treat wastewater

- Avoidance of negative effects from process water:
- Our wastewater from production is treated – worldwide – in such a way that it is returned clean to the environment.

Create water

- We will compensate 100% of the water that we use in areas with water stress.
- Measurable creation of water availability in areas with water scarcity (globally), increase in water quality (Germany)

Since 2010 we have reduced the water consumption per litre beverage by 18% in Germany. On average, we use in our non-refillable and refillable bottling at present 1.69 litres of water per litre beverage. This means that Coca-Cola Germany has a very efficient water management which secures its good positioning in a sector comparison.

Climate

As a market leader in our segment, we attach a lot of importance to fighting climate change. Through an ongoing reduction of our CO₂ emissions, we want to contribute towards the solution of the problem. We have implemented measures in all relevant

areas along our value chain to significantly reduce our climate impact. The targets which we originally set for 2025, have already been exceeded. In 2020 we adopted a new climate strategy with ambitious science-based targets. By 2030 we intend to reduce our absolute emissions by 30% compared to 2019. CO₂ climate neutrality is then to be achieved across the entire value chain step by step until 2040 (includes emissions from Scope 1, 2 and 3).

- Sustainable energy: use of 100% green power since 2015
- Net zero emissions until 2040¹ along our entire value chain in conformity with the Science-Based Targets initiative (SBTi)
- Reduction of the greenhouse gas emissions by 30% until 2030 (vs 2019) along our entire value chain (includes emissions from Scope 1, 2 and 3). In addition to the reduction of 30.5% between 2010 and 2019 already achieved in absolute terms.
- We expect all our suppliers to define science-based targets with which they reduce their emissions and the commitment to use 100% power from renewable energy sources by 2023.
- Energy efficiency: reduction of the energy consumption per litre finished beverage; use of energy-efficient coolers in the market.
- Near-natural restructuring of corporate sites (project launched in 2020)
- Transition to e-mobility (forklifts in the warehouses as well as 2,300 business and function cars including support for the charging infrastructure).
- Transport by rail: we produce to a large extent on a regional level. Wherever this is not possible, we focus for our beverage transportation over longer distances increasingly on the use of the railway network (2020: saving of 1.7 million truck kilometres and 1,000 t CO₂)

Community

A commitment to the preservation of biodiversity is also a commitment to communities and the climate

- Financial support of biodiversity projects

¹ Overview on climate protection as a field of action <https://www.coca-cola-deutschland.de/verantwortung/klima>

- Communication support of biodiversity goals with the power of our brands through corresponding brand programmes
- Nature conservation combined with nature experience
 Within the framework of our Corporate Volunteering programme we have offered employees for years the possibility to commit themselves for two days in an ecological or social environment during their working hours. In 2019 more than 900 employees accepted the offer and performed more than 5,000 hours of volunteering work. In 2021 significantly fewer volunteering deployments were carried out because of the Covid-19 contact restrictions (1,068 hours), but new online activities were offered instead.
- Convincing design of environmental education
 Topics such as renaturation, CO₂ compensation etc are often very complex and difficult to grasp. The challenge consists in making the topics experienceable. For the past seven years we have been educating together with the NNL (National Natural Landscapes organisation) (partly also in cooperation with our partner "German Sustainability Award") about the relevance of biodiversity for companies, NGOs, communities and politics within the framework of student contests. Every year around 30 students from different universities work on the topic involving the future role of biodiversity. Apart from impulse presentations, interactive exercises and discussion rounds, nature conservation and biodiversity are made truly "tangible" when becoming actively involved on orchard meadows. A special award was presented in this connection to our "2019 Diversity Summer Academy" for students with a migration background in the UNESCO biosphere reserve Thuringia Forest – it was acknowledged as "Awarded Project of the UN Decade Biodiversity".

Within the framework of the revision of the sustainability action plan we currently work on concrete commitments and measurable time-based goals for biodiversity to highlight the status of the topic even more clearly.

Sustainability strategy

The sustainability action plan sets ambitious but realistic goals. It consists of six fields of action: the three essential focal areas ("transformational leadership priorities") beverages, packages and communities as well as the three fundamental challenges

for the business ("responsible business behaviours") water, climate protection and sustainable supply chain.

The sustainability strategy of CCEP and all associated activities are oriented towards the UN goals for sustainable development. In the same way it provides the basis for the execution of standards such as the Global Compact principles, the International Labour Organisation (ILO) convention as well as food safety, environmental and occupational safety standards. In this way, the action plan is a clear guidance for the way in which we use the strength of our brands and our business to make a positive and responsible contribution towards shaping the future. The careful treatment of resources, more particularly within the framework of water and climate management, as well as sustainable sourcing, are an integral part of our sustainability strategy. Because biodiversity is not only our livelihood but it also secures our agricultural supply chain of tomorrow.

6. Biodiversity in corporate reporting

Since 2009 we have been reporting transparently to our stakeholders and the interested public about our progress and our commitment to sustainability in Germany. The annual reports and updates² include the most important activities, challenges and ratios but only since 2017 we have been covering biodiversity projects more explicitly. With the signing of the BIGC Leadership Commitment we, moreover, commit ourselves to a regular biodiversity reporting. This document constitutes our first progress report for the period 10/2019–11/2021.

Apart from the reporting for the German Business Unit, the third integrated report and the fifth sustainability stakeholder progress report (Sustainability Report), were published for the entire company in 2021 for fiscal 2020. This integrated report follows the GRI standards of the Global Reporting Initiative in conformity with the "core" option. Moreover, it implements the requirements of the Global Compact of the United Nations.

In 2020 CCEP was again listed by the Carbon Disclosure Project (CDP) as one of only 60 companies in the two categories water and climate in the so-called A list of the

² All reports of the past 12 years are available for downloading on www.coca-cola-deutschland.de/verantwortung/nachhaltigkeitsberichte

renowned non-governmental organisation CDP – as during the four years before. The A list acknowledges all companies which commit themselves in an exemplary manner to a sustainable future. Almost 9,600 companies had made available their environmental data for an independent assessment.

In 2020 CCEP was also again, for the fifth time in a row, included in the Dow Jones Sustainability Index (DJSI), both in the DJSI Europe Index and in the DJSI World Index. In the worldwide index we are one of four, in the European index one of three listed beverage companies. We have been able to score the maximum number of 100 points in six categories: climate strategy, water-related risks, environmental reporting, corporate eco-efficiency, environmental policy and management systems as well as social reporting. In the overall rating we achieved, as in the previous year, 89 of a total of 100 possible points.

7. Stakeholder dialogue and co-operations

To advance the protection of biodiversity in society, we focus primarily on dialogue and co-operations.

Since 2012 we have been a supporter of the National Nature Landscapes (NNL), the Confederation of the national parks, biosphere reserves, nature parks and wildlife parks all over Germany, and since 2015 we have been an official sponsor.

Since 2019 we have been working on a project-related basis with the Heinz Sielmann Foundation. Within the framework of these partnerships, we implement nature conservation projects which not only understand biodiversity as a supply chain management but focus holistically on the diversity of ecosystems and species.

With our membership of the “Biodiversity in Good Company” initiative we intend to further strengthen this commitment, and together with our employees, customers and suppliers we want to step up the development of eco-friendly technologies, products and services and support the protection and sustainable use of biodiversity. The intra-company exchange and transfer of knowledge is to advance the integration of biodiversity into the corporate sustainability management.

The main challenge for all projects on biodiversity is the difficulty of measurability. Unlike the CO₂ footprint, the attempt to measure and put numbers on the preservation of biodiversity through individual projects, shows the high complexity of the topic. The fact that the preservation of a habitat for 140 breeding bird species weighs

symbolically speaking more than the pure amount of sludge removed from an old river arm is obvious. Therefore, we have, in addition to our other projects, also actively supported the fundamental work of the NNL to create “nature conservation certificates” which help to meet this challenge.

Extract from the project list:

2021: Protect bog from drought

- Renaturing of the calcareous fen in the biosphere reserve Lake Schaalsee together with the NNL: to raise the groundwater level of the fen, drainage ditches were closed and adjustable dams were built
- Altogether 92 million litres of water are retained in the area until 2027; as a result of the proportionate project financing for the protection of this valuable biotope, our contribution amounts to 9.2 million litres of water

2020: Near-nature redesign of corporate sites

- Studies and preparations for the near-nature redesign of the first corporate sites

2019: Building of nesting aids for bee colonies

- Together with the Heinz Sielmann Foundation we launched a project for the protection of wild bees. Altogether 20 nesting aids are built within the framework of corporate volunteering until 2023. The combination of education and practical application enables our employees within the meaning of education for sustainable development to act under their own responsibility for the protection of biodiversity.

2016-2019: Contribution towards the preservation and generation of genetic diversity on orchard meadows

- Valuation of nature conservation
With the nature conservation certificates of the NNL, biodiversity can be protected in a measurable manner. Each certificate secures 1 sqm of biodiversity for one year (orchard meadows, forests or fens). The square metres as a tangible equivalent allow for an operationalisation of biodiversity. With the support of The Coca-Cola Foundation, we were able to secure for the launch of the naturschutzzertifikate.de platform a total of already 75,000 sqm of valuable nature and cultivated landscape for 10 years. The project areas serve as a model and as an example for other companies.

- Together with the NNL, conservation of meadows in the biosphere areas of Rhön, Schwäbische Alb and Thüringer Wald, which are amongst the habitats with the largest number of species in central Europe and constitute a retreat area for more than 5,000 animal and plant species
- The diversity of economically used fruit varieties was strongly reduced over the past years. Old varieties which were widespread in the past have become rare these days; in this connection it is necessary to preserve diversity and obtain resistant varieties in view of possible climate changes.
- Reinforce the attractiveness for ecological cultivation: farmers receive appropriate and long-term compensation for the sustainable care of orchard meadows
- Reunion and support of exchanges between biodiversity experts and local stakeholders
- Make environmental education experienceable: conduct of three student competitions, round tables with customers and suppliers as well as corporate volunteering programmes.

2018: Partnership with Trinkwasserwald® e. V.

- Within the framework of this co-operation, coniferous forest cultures in Lower Saxony are underplanted with deciduous trees to support the new formation of drinking water. Employees support the planting activities within the framework of the corporate volunteering programme.

2017: Voting on biodiversity projects

- The brand ViO supported all over Germany, together with the NNL nature conservation projects, the so-called "ViOtopes". Consumers had the opportunity to vote on 16 projects of the NNL which obtained support.

2013-2016: Preserve natural capital

- Through the renaturing the old arm of the river Elbe near Klieken by The Coca-Cola Foundation together with the NNLs, 55,000 m³ of surface water were preserved as a habitat for more than 140 breeding bird species as well as many plant species in the UNESCO biosphere reserve Mittellelbe, and a protection zone against flooding was built.

- The renaturing of the old river arm was one of 200 projects in more than 70 countries with which Coca-Cola gave back 153% of its water consumption for its beverages to nature and communities.