

## **BIODIVERSITY STATEMENT**

A key part of growing our business sustainably for the long term is to preserve ecosystems for future generations.

Forests, grasslands and other natural habitats are essential to life, supporting biodiversity and providing vital ecosystem services. These landscapes play an important role in the global water and carbon cycles, sequestering terrestrial carbon, producing oxygen, replenishing soils and helping maintain and regulate water flows, quantity and quality. Destruction of forests and degradation and conversion of land not only has severe impacts on communities, but also on the ecosystem services upon which we depend.

As part of our Mission 2025, we are committed to enhancing biodiversity by reducing emissions and water use, preserving and re-instating water priority areas, and by sourcing agricultural ingredients sustainably. Our aim is to leave nature in a state better than the one we found it in, and in so doing, building adaptation and resilience into our key sourcing and operating areas.

### **1. Biodiversity, conservation of forests and other ecosystems**

**Our goal is to achieve a net positive impact on biodiversity in critical areas in our operations and supply chain by 2040 and eliminate deforestation in our supply chain by 2030.**

We are committed to promoting sustainable forest management and help protect woodlands from deforestation and illegal harvesting. New bottling operations are not established in or next to World Heritage locations, areas which are protected by the International Union for Conservation of Nature (IUCN), UNESCO Man and the Biosphere (MAB) reserves or in sites containing globally or nationally important biodiversity.

If an operation or facility is already located in- or in close proximity to areas with critical biodiversity, we are committed to apply the mitigation hierarchy: avoid, minimize, restore, offset.

For our own operations (manufacturing sites) we have conducted a review as part of our Source Vulnerability Assessment (SVA) and Alliance for Water Stewardship (AWS) certification, and we report transparently the number of sites adjacent to or in areas with critical biodiversity. For all these sites we have detailed biodiversity protection plans. Besides, evidences and documents are disclosed, which are an integral part of the overall AWS documentation, uploaded on official [AWS website](#).

In June 2022 we joined the Science Based Targets Network (SBTN) Corporate Engagement Program. We will work to implement the SBTN's guidance, which provides a framework and tools for companies to understand where and how to focus efforts so both nature and business can thrive. Our efforts will begin with performing a mapping and materiality assessment on biodiversity for our critical commodities and suppliers, in order to see where the biggest impact is and then we will set up specific projects. In 2017 we performed a high-level impact assessment (our Natural Capital Impact Study), by using 12 environmental externalities, yet we need to have much more detailed understanding of the impact in our supply chain.

We will engage our partners such as non-governmental organisations, customers, communities, academics, industry, external consultants, The Coca-Cola Company, and our suppliers to determine priorities, target dates, and implementation plans, and will communicate this over time.

### **Monitoring and Traceability:**

We started mapping all our operations and critical commodities/suppliers. For our sustainability assessment, we use the risk-based approach with the support of our partners (EcoVadis). Transparency and traceability of material supply chains is established through certifications/verification schemes or by ensuring suppliers have robust traceability of supply that meets our expectations (please see point 'Due diligence, governance and reporting' below and Chapter 9 'Supplier Engagement, Verification and Assurance' from [The Coca-Cola Company Principles for Sustainable Agriculture](#)).

## **2. Emissions reduction**

We are transitioning our business to a low-carbon future. [By 2025 we are committed to:](#)

- Reduce direct carbon emissions ratio by 30% vs. 2017;
- Make 50% of our refrigerators in customer outlets energy efficient; and
- Derive 50% of total energy used in our plants, and 100% of electricity in EU and Switzerland from renewable and clean<sup>1</sup> sources.

We have set a science-based target by 2030<sup>2</sup> to reduce our absolute emissions in direct operations by 55% (scope 1 and 2) and indirect emissions by 21% (scope 3).

In October 2021 we announced our [NetZero by 40](#) commitment – to achieving net zero emissions across our entire value chain (Scope 1, 2 and 3) by 2040.

We are investing in initiatives which deliver the technology, infrastructure and activities needed to achieve the transition to net zero and biodiversity/Natural Capital restoration. We are also supporting the development of transparent and effective carbon offset markets which will enable a further biodiversity restoration through emission reduction and carbon capture.

## **3. Water reduction and stewardship**

In order to protect and reinstate watersheds that foster biodiversity, we are reducing our own water consumption and contributing to the secure access to water in priority areas via water replenishment activities, wetland restoration, WASH projects and other initiatives.

[By 2025 we are committed to:](#)

- Consuming 20%<sup>2</sup> less water<sup>3</sup> in plants located in water priority areas; and
- Helping secure water availability for all our communities in water priority areas.

Additionally, we will certify all our bottling plants using international water stewardship standards, i.e. Alliance for Water Stewardship or European Water Stewardship. Both certificates require us to assess and report on our biodiversity impact, water ecosystems and High Conservation Value Areas (HCVAs) in the related watersheds. At local facility level, every five years we undertake a source vulnerability assessment (SVA) by partnering with experienced organizations. This detailed risk assessment feeds into our site water management plans which support context-based target management, climate resilience, data sharing, and reporting.

Moreover, we have committed that each of our bottling plants will achieve the Environmental Management System ISO 14001 standard, which includes an evaluation of overall environmental compliance.

We also ensure, and report publicly, that 100% of all wastewater from our bottling plants is treated to the levels supporting aquatic life before it is returned to watersheds and nature. Since 2011 this commitment is 100% implemented in all of our bottling facilities.

#### **4. Sustainable sourcing**

We are committed to sourcing 100% of our key ingredients in line with the Principles for Sustainable Agriculture<sup>4</sup> as set out by The Coca-Cola Company. These principles protect and support biodiversity and ecosystems, uphold human and workplace rights, ensure animal health and welfare, and help build thriving communities. They apply to primary production, i.e. at farm level, and form the basis for our continued engagement with Tier 1 suppliers<sup>[2]</sup> to ensure sustainable long-term supply at a lower environmental impact.

This extends in particular to the sections *Conservation of Forests, Conservation of Natural Habitats, Biodiversity and Ecosystems, Soil Management and Agrochemical Management*.

#### **5. Sustainable packing**

Our approach to delivering a World Without Waste (our joint approach to sustainable packaging with The Coca-Cola Company), will deliver a positive impact on ecosystems by ensuring that our packaging will not end up as waste, affecting oceans, waterways and marine wildlife there or harming biodiversity through air pollution as a result of incineration. [We are committed to:](#)

- Making 100% or all our primary packaging is recyclable (currently 99.6%);
- In the EU to use 50% recycled PET and/or PET from renewable material across our portfolio and outside the EU by 35%;
- Helping collect the equivalent of 75% of our primary packaging by 2025 and by 2030, collecting 100%; and
- Partnering with local authorities, environmental NGOs and innovation partners to deliver 20 Zero Waste partnerships in cities and along coasts by 2025.

Besides, many of our volunteering initiatives are routinely (and increasingly) focused on beach, lake and waterway clean-ups that support biodiversity.

We aim to source all our paper-based primary packaging materials by the sustainable forest sources. All of our paper bricks we use are FSC\*-certified.

(\*) Forest Stewardship Council

#### **6. Due diligence, governance and reporting**

We regularly measure and report on the progress made against our Mission 2025 commitments, and all other commitments, including those related to biodiversity and deforestation. The annual performance is disclosed in our annual report and GRI Content Index, verified by an independent auditor, and published on our website.

For full compliance, agricultural suppliers are assessed and certified in accordance with acknowledged third-party standards, i.e.

<b>Standard name</b>	<b>Key Commodities</b>	<b>Scope</b>
SAI Farm Sustainability Assessment (FSA) minimum Bronze	Universal crops (cane sugar, beet sugar, fruit, soy)	Global
Bonsucro Standard	Cane sugar	Global
Fairtrade International	Coffee, tea, fruit	Global
Field to Market	HFCS (corn)	USA/Canada
Forest Stewardship Council (FSC)	Pulp, paper	Global
GlobalGAP and FSA (preferred)	Fruits, vegetables	Global
GlobalGAP and grasp	Fruits, vegetables	Selective
International Sustainability & Carbon Certification (ISCC+)	Cane Sugar, HFCS (Corn)	Global
Programme for Forest Certification (PEFC)	Pulp, paper	Global
Proterra Standard	Universal crops (Cane sugar, soy)	Global
Rainforest Alliance (Farm Assurance Standard)	Coffee, tea, fruit	Global
Renewable Energies Directive Certification (RedCert)	Beet Sugar, HFCS (Corn)	EU

Roundtable on Responsible Soy (RTRS)

Soy

Global

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VIVE Claim

Cane sugar, beet sugar

Global

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Prior to any merger, acquisition, investment, or divestment, we apply a comprehensive due diligence process, i.e. evaluate the impact on biodiversity by an independent company with a view to implementing our own policies and standards and taking any remedial steps required.

Steinhausen, June 2022

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