

# OUR WAY FORWARD

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2020 PROGRESS REPORT



Coca-Cola HBC  
Ireland & Northern Ireland

*Coca-Cola*

# Our Way Forward

At Coca-Cola, we have evolved our long-term business strategy to give people around the world the drinks they want. We have been listening carefully and are working to ensure that consumers are firmly at the centre of our business so we can continue to grow responsibly. We recognise that people want to manage their sugar intake and are seeking greater choice.

To respond, we've been on a journey to diversify our portfolio, offering a drink for all occasions, 24/7.

In 2017, we set out a series of commitments and are pleased to report on our progress.

- 1** We've reduced sugar and calories across many of our brands
- 2** We're diversifying our portfolio to offer drinks for all occasions and needs.
- 3** We're making low and no-sugar drinks the easy choice through our "Hero Zero" approach
- 4** We're offering smaller, more convenient packages so controlling sugar is easier.
- 5** We're giving people the information they need to make truly informed choices.
- 6** We continue to uphold our responsible marketing commitments to the highest standards



## Summary of Achievements

Today, we sell more low-calorie drinks than any other company on the island of Ireland, with 64% of our total sales comprising of drinks with less than 5g sugar per 100ml.

We continue to market responsibly and promote our low-calorie options. Coca-Cola Zero Sugar is now the third most popular soft drink, after Coca-Cola and Diet Coke and 52% of all cola we sell has no sugar.

We also know that people want a greater variety of pack sizes to fit their lifestyles, and have introduced smaller packs for Coca-Cola Classic, including a 250ml can and a 375ml bottle.

We are also expanding our portfolio to offer drinks that respond to new consumer needs. Recent additions to our portfolio include Glacéau Smartwater, Costa Coffee and Coca-Cola Energy, with or without sugar.

Over the last year alone, we've reduced calories across our portfolio by 12%.



**Our actions are focused 'inside the bottle',  
what we sell; and 'outside the bottle',  
how we sell.**

# INSIDE

## THE BOTTLE



**Reducing sugar  
Diversifying our portfolio**

**Convenient, Smaller  
Packages  
Accessible Information  
Responsible Marketing**

# OUTSIDE

## THE BOTTLE

## Reducing Sugar

Around the world, eating and drinking less sugar is increasingly important to people.

We support the recommendation by health authorities, including the World Health Organisation, that people should limit their intake of added sugar to no more than 10% of their total energy/calorie consumption.

We're taking action to help our consumers to better control their sugar intake by rethinking some of our recipes.

Globally, we've reduced sugar in more than 200 of our sparkling drinks to help consumers consume less sugar when they buy our products.

We're proud to report that, across the island of Ireland, Coca-Cola is the 'lights-leader', selling more low and no sugar beverages than any other company.

## Our Progress

**64%**

Today, 64% of our total sales comprises drinks with less than 5g sugar per 100ml; an increase of 4% since 2018.

**18%**

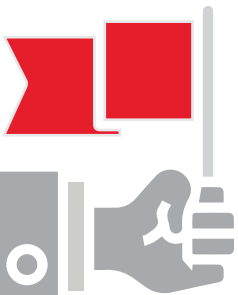
Between 2016 – 2018, we reduced the sugar across our soft drinks portfolio by 18%.

**12%**

From 2019 – 2020, we reduce sugar across our soft drinks' portfolio by a further 12%.

**+40**

We've also launched more than 40 new low-calorie drinks, and reduced the sugar in 15 of our existing drinks.



## Achievements

We are the market leader in low-sugar drinks on the island of Ireland, selling more than any of our competitors.

Coca-Cola HBC holds **58% share** of the 'low sugar soft drinks' category.

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# BOTTLE



## Our Reformulations



Sprite moved to a no sugar recipe.



We further reduced the sugar content in Fanta Orange to just 4.5g per 100ml.



Fanta Lemon moved to a lower sugar recipe, now with 4.5g per 100ml.



All variants of our core Schweppes range were reformulated to less than 5g sugar per 100ml.



The core variants of the Oasis range, Citrus Punch and Summer Fruits, both relaunched as Oasis Zero, with no sugar.

## Future Commitments

Our work continues with further plans for 2020:



We are reducing sugar in our popular Schweppes Signature Collection Crisp Tonic



We are launching new Oasis Blackcurrant and Apple variant, with less than 5g sugar per 100ml.

# Diversifying our portfolio to offer drinks for all occasions

We may be Coca-Cola, but we recognise that people have evolving tastes and preferences.

We're on a journey to become a total beverage company, with a drink for all needs and occasions throughout the day.

This starts with the introduction of new and different drinks, with benefits that can help fuel peoples' increasingly busy lives.

# INS

THE B

## Our Progress



### Expanding our water portfolio

In addition to our popular water brand Deep RiverRock, global water brand Glacéau Smartwater was launched across the island of Ireland in 2018. It is made from spring water which is vapour-distilled before electrolytes are added.

Glacéau Smartwater satisfies the demand for premium water offerings for busy consumers who want hydration on-the-go.

Glacéau Smartwater is also available in a sparkling variant.



## More sophisticated flavours

We've also started to introduce new, sophisticated flavours to help us keep up with consumers' rapidly evolving taste preferences.



We launched Schweppes Elderflower Slimline Tonic in 2018, The Elderflower variant offers a lighter tonic, containing no sugar or calories, but with a sweet and refreshing natural flavour.



The premium iced tea brand Fuze Tea was introduced to the market offering two unique flavours, Lemon with Lemongrass and Peach Hibiscus; delivering a fusion of tea extracts, fruit flavours and botanicals.



Responding to the needs of adult consumers, Appletiser was reintroduced in 2017, with a delicious and refreshing combination of natural apple juice and carbonated water.

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## Coke Energy – with and without sugar

In 2019, we expanded our portfolio with the addition of Coca Cola Energy to our portfolio. This is the first energy drink to be introduced under the Coca Cola brand, marrying the great Coca-Cola taste and feeling that people know and love, with the added benefit of energy.

Coca Cola Energy features caffeine from naturally-derived sources, guarana extracts, B vitamins and no taurine. It is available in 250ml cans and is available with and without sugar.

The new drink is aimed at young adults (18-35) and is promoted in line with Coca Cola's responsible marketing guidelines.



## Costa Coffee

We are also pleased to announce the launch our recent partnership with Costa Coffee across Ireland and Northern Ireland, helping us to deliver on our vision to become a total beverage company.

Adding a brand as strong as Costa Coffee to our portfolio will allow us to respond to more consumer occasions and address every drinking moment throughout the day.

Costa variants to be introduced in 2020 will include:



Costa Coffee Roast and Ground in Signature Blend Medium, Signature Blend Dark Roads, The Bright Blend, Colombian Roast and Decaf Blend



Costa Coffee Beans in Signature Blend Medium Roast and Dark Roast



Ready-to-Drink Latte and Caramel Latte



Nespresso Pods Signature Blend Espresso & Lungo, Colombian Roast and Lively Blend



Dolce Gusto Pods Signature Blend Americano, Espresso, Cappuccino and Latte



## Hero Zero

We have evolved our sales and marketing approach to make low and no-sugar versions of our drinks, the easier choice for consumers.

With our 'Hero Zero' strategy, we are proactively increasing the availability and marketing of our zero sugar brands.



# OUTS

## THE BO

## Our Progress



In 2017, Coca-Cola Zero Sugar was reintroduced to the market with new and improved sugar free recipe, closer to Coca-Cola Original Taste, but without sugar.



All our TV advertising for Coca-Cola features a zero sugar variant, Coca-Cola Zero Sugar or Diet Coke.



We continue to encourage greater trial of the zero sugar cola, with new look packaging introduced in 2018. Coca-Cola Zero Sugar is now packaged in the iconic Coca-Cola red, with a band across the top of the bottle or can to denote whether it is the Original Taste or Zero Sugar variant.



We continue to expand our zero sugar cola options, innovating to offer greater choice in low calorie drinks. In 2019, all innovations across our leading brands had zero sugar. These included Diet Coke Strawberry, Coca-Cola Zero Raspberry, Fanta Dark Orange and Fanta Grape Zero.



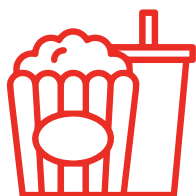


# SIDE

## BOTTLE



We have also increased availability of Coca-Cola Zero Sugar across the island.



Coca-Cola Zero is now available in all cinema outlets serviced by us; approximately 100 cinemas across the island of Ireland.



All our point of purchase advertising materials either lead with or feature a no-sugar Coca-Cola variant. These include menu boards, 'meal deal' imagery and cinema cups.



To increase value and availability of zero sugar options in our 'take home' offerings, Coca-Cola Zero Sugar and Diet Coke increased to a 2 litre pack size.

## Achievements

Following our increase in marketing and availability, Coca-Cola Zero Sugar achieved the greatest value growth of any soft drink in 2019.

It is now the third most popular soft drink on the island of Ireland, after Coca-Cola and Diet Coke.

We made a commitment that by 2020, more than 50% of all cola we sell across the island of Ireland would have no sugar and this was achieved ahead of schedule. Today 52% of all cola we sell has no sugar.



## Smaller, More Convenient Pack Sizes

While we will continue to offer no and low sugar alternatives, we know that some people still want the original taste of our popular brands such as Coca-Cola original taste.

That's why we're providing smaller, more convenient packages, making it easier to control sugar.

## Our Progress

We have introduced smaller, more convenient pack sizes, helping those who still want Coca-Cola Original Taste to choose the right pack size for them.

Since 2018, Coca-Cola Original Taste has been available in a range of smaller pack sizes to offer greater choice. These include:



**1.5 litre**  
'take-home' bottle



**375ml**  
on-the-go' bottle



**250ml**  
slimline can

In 2020, Coca-Cola Zero Sugar and Diet Coke also be available in a 375ml bottle.

## What Else?

Introduced in 2020, the taller, more stylish 330ml Sleek Can marked the most significant change in Coca-Cola's can offering for more than 70 years and was a first for the soft drink industry in Ireland and Northern Ireland.

The Sleek Can is available across all Coca-Cola, Sprite and Fanta variants: Coca-Cola Classic; Coca-Cola Zero Sugar, Diet Coke, Fanta, Fanta Zero Sugar, Fanta Lemon and Sprite.



# OUTS

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# SIDE

BOTTLE



## Accessible Information

We voluntarily put clear, easy-to-find calorie information front-of-pack so people can make informed choices about the nutritional content of our drinks.

Across Ireland and Northern Ireland, Coca-Cola was the first soft drink company to provide colour-coded nutritional information on pack. This was done in response to consumer needs for clear, accessible information.

In 2017, we also added serving guideline icons to all our multi-serve packs (500ml and greater).



## Responsible Marketing

We diligently follow our long-standing policy not to target advertising to children under the age of 12 anywhere in the world. This is a policy that applies to all products and brands that we sell.

We also firmly believe in commercial-free classrooms and do not sell our drinks in primary schools in Ireland or Northern Ireland.

Our supply to secondary schools is limited to zero calorie drinks, waters or juice, and only upon the request of the school management team.



