**Sustainable Agriculture**

**OUR COMMITMENT**

We will work with our sugar suppliers to ensure that by 2020 the sugar we use is sourced sustainably.

**INTRODUCTION**

Inside every bottle of Coca-Cola – indeed in many of our products – are agricultural ingredients that start on a farm. Our business depends on the long-term availability of these products. That said, conventional agricultural practices can have serious environmental and social impacts. The World Wildlife Fund (WWF) has identified that agriculture uses over two-thirds of the world’s fresh water. At the same time, agriculture can be a leading contributor of greenhouse gas emissions and a primary driver of deforestation.

In our own value chain, agriculture accounts for the largest share of water use and the third-largest share of carbon emissions.

At CCE, we are working closely with The Coca-Cola Company to develop our approach to sustainable agriculture. This includes an ambitious new goal for the global Coca-Cola System to ‘sustainably source key agricultural ingredients by 2020’. For information on our broader sustainability work with our suppliers, see Factsheet 7.

**OUR STRATEGY**

At CCE, our focus is on ensuring that the sugar cane and sugar beet we use in North West Europe is sourced sustainably.

Working with The Coca-Cola Company, we have established a set of Sustainable Agriculture Guiding Principles (SAGPs) and are developing partnerships with our sugar suppliers to ensure that our sugar is sustainably sourced.

In 2013, we established an internal Sustainable Agriculture Steering Group to oversee this work. Sustainable agriculture is now a key pillar in our sustainability journey and we will continue to develop our plans in this area.

**SUSTAINABLE AGRICULTURE GUIDING PRINCIPLES**

In 2013, together with The Coca-Cola Company, we launched our SAGPs, specifically for suppliers of agricultural ingredients. The principles are designed to work in conjunction with our Supplier Guiding Principles (see Factsheet 7).

The principles set out what we mean by ‘sustainable sourcing’ and include expectations and criteria that our suppliers will be expected to meet in terms of human and workplace rights, the environment and sustainable farm management practices (see SAGPs overleaf).

At CCE, we have shared our SAGPs with our suppliers of sugar beet and sugar cane and will work with them over time to ensure they are able to meet our criteria.
SUSTAINABLE AGRICULTURE

FOCUS ON SUGAR

Our work to understand the water footprint of our value chain highlighted that sugar – taking account of farming, processing and production – can account for up to 80 percent of our value chain water footprint.

As a result, our focus at CCE is on ensuring that the sugar cane and sugar beet we use in North West Europe is sourced sustainably. Understanding the different sustainability issues and the supply chains of these two very different crops is central to our sustainable agriculture strategy.

Sustainable cane

Sugar cane is a grass crop, produced in sub-tropical areas. Under the existing EU sugar regime, around 70 percent of Europe’s sugar cane imports are sourced from developing countries which have preferential trading relationships with the EU.

The Coca-Cola Company has played an important role in the establishment of Bonsucro, a global standard for sustainable sugar cane production.

To accelerate our move towards sustainably sourced sugar cane in Europe, we are working with The Coca-Cola Company to consider how sustainable agricultural practices can also be implemented in smallholder sugarcane farms. In 2013, we took our first step on this journey by working with the Rainforest Alliance to develop our understanding of the sustainability risks and current best practice in the sugar cane supply chain in Europe. We will continue this work in 2014.

Sustainable beet

At CCE, a significant proportion of the sugar we use is from sugar beet – a root crop grown widely in North West Europe. In 2013, we began working with The Coca-Cola Company and WWF to define the best practices for sustainable sugar beet farming in Europe and to identify a set of standards that support our SAGPs.

In collaboration with Europe’s sugar beet processors, we worked with the Sustainable Agricultural Initiative (SAI) Platform to develop a farm-level self-assessment tool – the Farmer Sustainability Assessment (FSA). Following a pilot with a number of sugar beet farmers in Europe, the FSA was formally adopted and we are now working with our sugar beet suppliers to roll it out.

CASE STUDY

Communicating our principles

To introduce our SAGPs, it was important to communicate them effectively across our supply base. The principles were first shared with our sugar suppliers as part of our Supplier Relationship Management (SRM) process.

In December 2013, in partnership with The Coca-Cola Company, we also convened a virtual Sustainable Agriculture Conference to launch the principles with representatives from European suppliers of sugar beet and sugar cane. Procurement and sustainable agriculture specialists from both CCE and The Coca-Cola Company explained our commitment to sustainable sourcing and outlined our plans to validate suppliers for compliance with our SAGPs from 2015.

Sourcing sugar sustainably

“In 2011, The Coca-Cola Company conducted a wide ranging water footprint sustainability assessment looking at sugar sourcing in Europe. This served as the starting point of our journey on sustainable sugar beet. We have since worked with our key suppliers and other food and beverage companies to define and harmonize our sustainability expectations for farmers. The recently developed Farmer Sustainability Assessment of the Sustainable Agriculture Initiative allows farmers to assess the sustainability of their agricultural practices (covering environmental, social and economic issues) and provides a basis for continuous improvement.”

Ulrike Sapiro, Director Community and Environment, The Coca-Cola Company, Europe

For more information see: www.saiplatform.org/farmerselfassessment/farmer-self-assessment2

Sustainable Agriculture Guiding Principles (SAGPs)

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<td>Prohibit child labor, forced labor and abuse of labor</td>
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80% of the water footprint of our value chain is associated with the farming, processing and the production of sugar.

Sustained Agriculture Guiding Principles (SAGPs)