



SUSTAINABLE
DEVELOPMENT
REPORT

2020



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MESSAGE FROM OUR MANAGING DIRECTOR



2020 has been a year like no other. The global impact of the COVID-19 pandemic has reached every corner of the world, and has affected how businesses operate and how people conduct their lives. This has been true where Swire Coca-Cola operates, but we remain optimistic and continue moving towards our 2025 and 2030 sustainable development targets published last year. The pandemic has shown us the fragility of our world and reinforced the need to deliver these targets ahead of time.

Although the situation has tested the resilience of Swire Coca-Cola, I am proud to say that all our teams throughout our regions have responded magnificently; as well as continuing to serve our communities, we have stayed true to our commitment to sustainable development, which is an essential part of our ambitious vision to become a leading bottler in the global Coca-Cola system.

Our sustainable development strategy “**Our Choice. Our Future!**” outlines the strategy, targets and indicators that will enable a successful and resilient long-term business. The three core aspects of this strategy are **People, Product** and **Planet**, and I would like to say a little more about each of these three areas.

The successful execution of our strategy largely depends on the **People** and culture that are embedded in our company. I am encouraged and humbled by the commitment of the Swire Coca-Cola team to look after our people and the communities we serve. Our continued focus on the safety of our employees resulted in a reduced total injury rate (TIR) of 16% compared to the previous year. In response to the pandemic, we put additional measures in place to protect our people such as swiftly establishing protocols to implement preventive procedures and tracking mechanisms to keep our staff safe and ensure the timely sharing of information. This enabled us to keep supplying and serving our communities, providing emergency relief both as in-kind donations including drinking water and energy drinks, or financial relief in many markets. I would like to express my gratitude to our staff and business partners as we navigated this difficult period together.

During these challenging times, it has been more important than ever to continue delivering **Products** to refresh our customers and consumers. We have ensured efficient resumption of operations following government-mandated shutdowns. We have continued to meet the changing needs of our consumers by providing a greater variety of drinks, with more low- and no-sugar options. We have also been supporting our customers to adapt to the changes in sales environment and the channel shift to digital.

With global temperatures of the **Planet** surpassing 1.2°C over pre-industrial times, and as extreme weather events impact the lives of many people, we recognise the increasing importance of establishing our Science Based Targets (SBTs), identifying the mitigation and adaptation opportunities and executing effective strategies. Starting in 2020, we will publish an annual SBT progress report to give an in-depth account of our decarbonisation progress across Scope 1, 2 and 3 emissions. We know that achieving these ambitious decarbonisation targets, especially around Scope 3 indirect emissions will not be easy, but we remain encouraged to deliver through continuous and collaborative endeavour across our markets and business operations. Additionally, we have started mapping our financial risks in accordance with recommendations provided by the Taskforce on Climate-related Financial Disclosures (TCFD). We are also planning on transitioning our current water stewardship strategy to align with our decarbonisation strategy, allowing for a more systemic approach to address sustainability issues.

With an uncertain view on how the world will recover from the pandemic, what I am certain about is that we are committed to our long-term sustainable development strategy and will transparently report our progress.

Karen So
Managing Director
Swire Coca-Cola Limited

OUR RESPONSE TO THE COVID-19 PANDEMIC

In light of the unprecedented COVID-19 pandemic outbreak, we responded swiftly to the needs and concerns of our stakeholders. The health and safety of our people, customers and business partners has always been our highest priority during this critical time.



RESPONSE TO OUR PEOPLE

- We took immediate actions to safeguard our people in response to the COVID-19 pandemic by assembling a centralised crisis management team and taskforces at different locations.
- In addition to setting out cleaning and sanitation protocols with stringent hygiene standards, we rolled out tracking procedures and systems to monitor the health conditions of our staff across all markets.
- To further protect our employees, we enforced travel and meeting restrictions, and allowed remote and flexible working arrangements. More than 60,000 hours of online trainings, meetings and communications were convened.



RESPONSE TO OUR CUSTOMERS

- We focused on ensuring our products were delivered safely to the stores and the communities that needed them.
- Rapidly responding and adapting to the volatile and uncertain business environment, we were one of the first plants to efficiently and orderly resume manufacturing operations in Chinese mainland.
- We worked closely with all our customers to help them recover as quickly as possible. During periods with lower restrictions, we supported our customers to rebuild, reopen and encourage trade – particularly our customers in the hospitality sector.
- We also accelerated our activities in e-commerce and smart retail to develop direct-to-consumer offerings.



RESPONSE TO OUR SUPPLIERS

- To monitor and address supply chain risks brought by the COVID-19 pandemic, we established precautionary measures in managing the logistics.
- In order to secure supply chains disrupted by lockdowns and transportation restrictions, we established risk management procedures for suppliers to follow and enhanced our communications with suppliers in response to potential threats.



RESPONSE TO THE COMMUNITY

- In Hubei, where the COVID-19 pandemic impact was early and severe, we swiftly donated RMB 1.5 million to the local government of Wuhan and formed a volunteering team to help deliver water, beverages and supplies to the affected areas.
- Across all markets, we contributed a total of over 1.12 million bottles of water and beverages to local governments, hospitals, quarantine centres and medical centres.
- We also donated medical supplies, surgical masks and disinfectants to local Non-Governmental Organisations (NGOs) and frontline healthcare workers in all markets.

Note:
The COVID-19 pandemic refers to the epidemic starting in 2019 caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). We use the term COVID-19 pandemic, as adopted by the World Health Organisation (WHO), throughout the report.

OUR APPROACH TO DISCLOSURE

Swire Coca-Cola Limited (Swire Coca-Cola) is the fifth largest bottler by sales volume for The Coca-Cola Company (TCCC), and is wholly owned by Swire Pacific Limited (Swire Pacific), a listed company on the Hong Kong Stock Exchange (HKEx).

OUR COMMITMENT TO TRANSPARENCY

Swire Coca-Cola issues an annual Sustainable Development Report which aims to provide our stakeholders with a detailed, accurate and honest account of our performance and progress in the material areas of sustainability. This is our fourth report, covering the period 1 January to 31 December 2020.

REPORT STRUCTURE

Key chapters of this report reflect the seven focus areas of our 2030 Sustainable Development Strategy (Our Choice, Our Future!). For each of our seven key focus areas, we present why the topic is important, and how we strive to make the

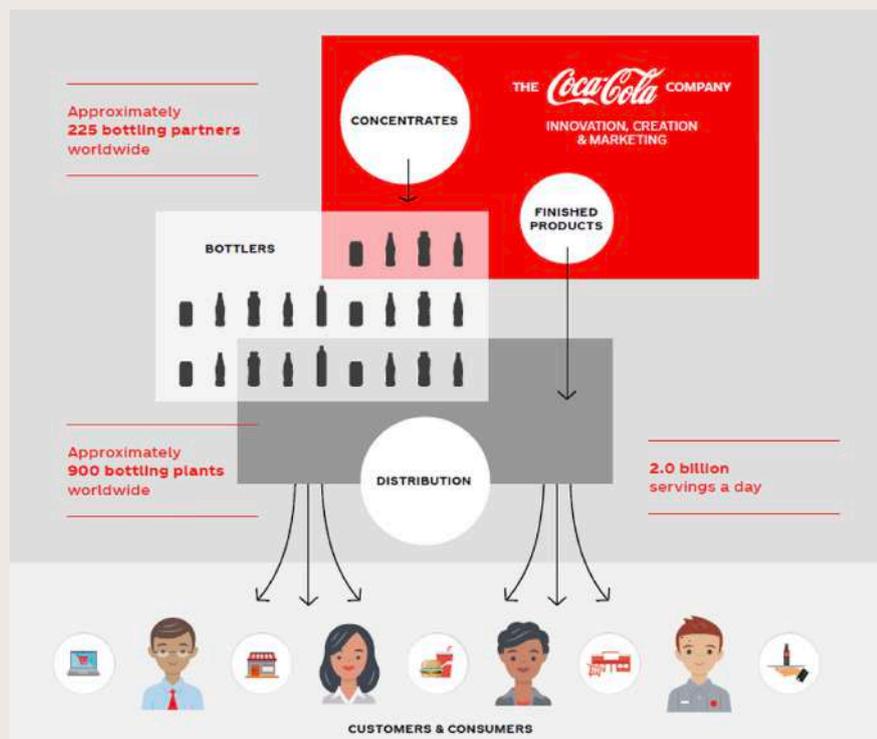
right decisions that minimise negative outcomes and maximise positive ones. Details of our strategy can be found in [Swire Coca-Cola website](#).

SCOPE OF DISCLOSURE

Unless otherwise stated, performance data in this report covers all Swire Coca-Cola wholly and majority owned bottling operations in our four markets: the Chinese mainland, Hong Kong SAR, Taiwan Region and the United States. Given the different context in each market, we present performance data by market, where meaningful. More details can be found in the Reporting Standards and Scope of Report section of our [2019 Sustainable Development Report](#).

THE COCA COLA SYSTEM

The below infographic taken from <https://investors.coca-colacompany.com/about/coca-cola-system> clearly explains The Coca-Cola System, which is frequently referenced in this report.



* TCCC and its bottling partners are collectively known as The Coca-Cola system. TCCC does not own, manage or control most local bottling companies.

METRICS – 2018 AS OUR BASELINE YEAR

We have set 2018 as our baseline year (unless otherwise indicated) as this was the first year post refranchising in which we had a full year's worth of data. It is also the baseline year used in our SBT project (Please see the [Climate chapter](#)). As we launched our 2030 Sustainable Development Strategy (Our Choice, Our Future!), a full list of our Key Performance Indicators for each target can be found in the chapter entitled [2030 Targets and Metrics to Date](#).

2020 TCCC BUSINESS & SUSTAINABILITY REPORT

The following link takes you to TCCC's [2020 Integrated Business & Environmental, Social and Governance Report](#).

GOVERNANCE OF SUSTAINABLE DEVELOPMENT AT THE CORPORATE LEVEL

Swire Pacific's highest governance body is its Board, led by an Executive Chairman. The Swire Pacific Board is responsible for overseeing sustainable development for all operating companies under Swire Pacific, including Swire Coca-Cola. Information on sustainability risks and performance is reported to the Board via the Group Risk Management Committee (GRMC), which has eight members and is chaired by the Finance Director. The GRMC is advised by

the Swire Group Sustainability Committee and by six working groups (made up of sustainability personnel from all operating companies in Swire Pacific) covering each focus area of [SwireTHRIVE](#)*. The working groups meet three times a year to exchange information and best practices, with a view to developing specific policy recommendations, improving efficiency, reducing costs and engaging staff in sustainable development.

To provide additional oversight and direction, the Head of Sustainable Development at Swire Pacific reports

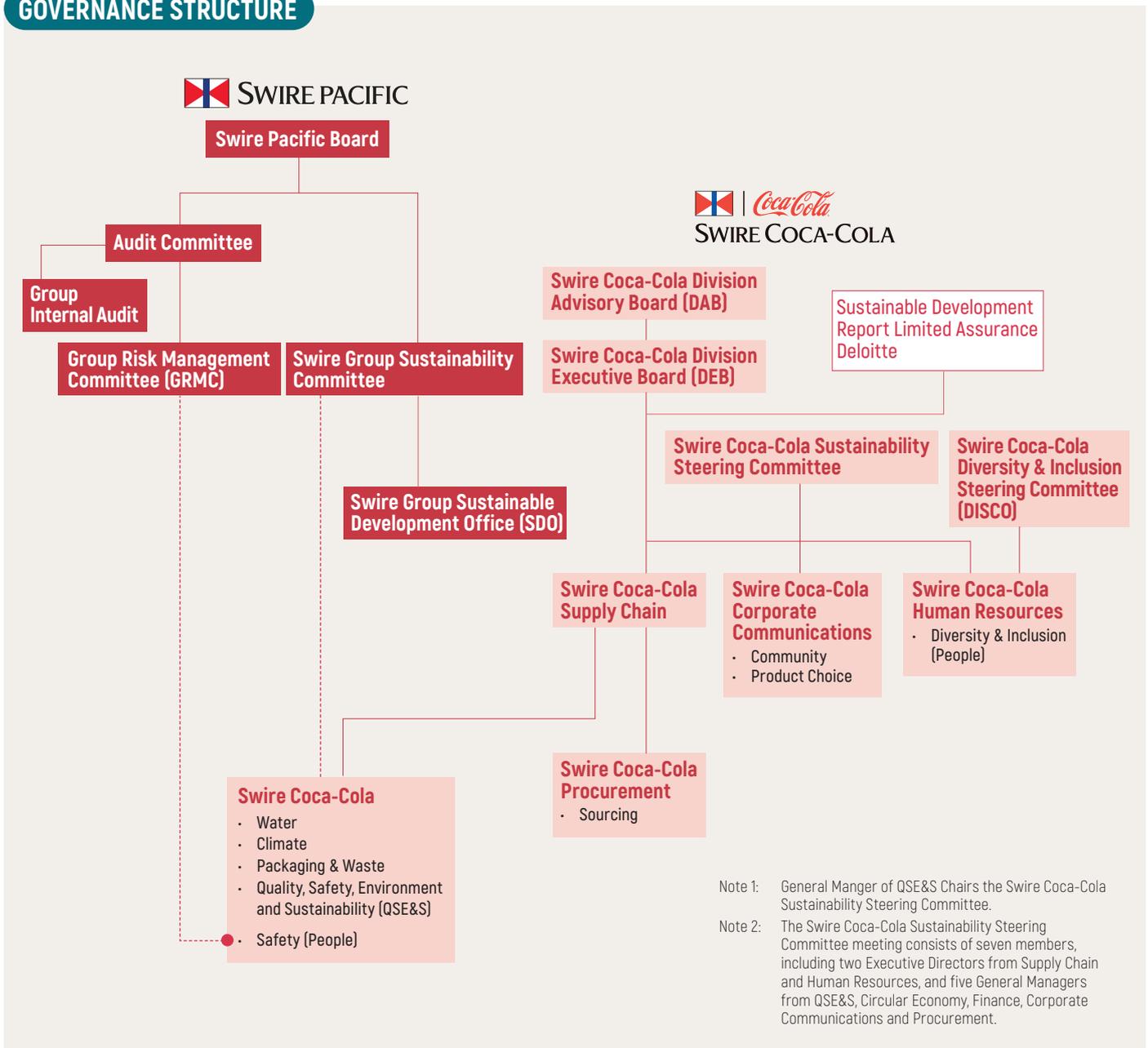
annually to the Board on its sustainability performance. Division heads as well as the Chief Executive Officers or Managing Directors of operating companies meet twice a year on sustainability matters under the Chairman of the Board.

2020 SWIRE PACIFIC SUSTAINABLE DEVELOPMENT REPORT

For more details, please visit Swire Pacific's [2020 Sustainable Development Report](#).

* SwireTHRIVE is Swire Pacific's Sustainable Development Strategy. It is a group-wide environmental sustainability strategy.

GOVERNANCE STRUCTURE



MANAGING SUSTAINABLE DEVELOPMENT AT SWIRE COCA-COLA

At Swire Coca-Cola, we have an independent governance structure to manage and implement our own sustainable development initiatives and strategies. We take the following actions with reference to Swire Pacific's framework to promote our sustainable development:

- Assessing the sustainability issues that are material to Swire Coca-Cola's operations
- Formulating the Sustainable Development Strategy "Our Choice, Our Future!" based on findings from our materiality assessment
- Implementing strategies through an appropriate organisational structure
- Monitoring and evaluating the effectiveness of strategy implementation, compliance and reporting on sustainability performance

Our Division Advisory Board (DAB) consists of three Non-Executive Directors and

seven Executive Directors. The Division Executive Board (DEB) provides direction on sustainability development, oversees our sustainability commitments and progress, and makes management decisions in relation to sustainability.

Our Managing Director oversees the operations and performance of the company's functional departments. Supply Chain, Corporate Communications, and Human Resources are three of the five functional departments. These functional departments are responsible for implementing our strategies for day-to-day business activities, monitoring progress, and reporting of specific initiatives. Under the Supply Chain Department, the QSE&S working team also sits in and reports to the GRMC and the Swire Group Sustainability Committee respectively to make sure our initiatives are aligned with Swire Pacific's framework in these particular areas.

In Swire Coca-Cola's Human Resources department, Diversity and Inclusion also reports to the Swire Coca-Cola Diversity & Inclusion Steering Committee (DISCO), which is chaired by our Managing Director and includes members of the DEB and a number of Bottler General Managers. Our DISCO meets four times a year.

EXTERNAL ASSURANCE

Certain data points have been limited assured by Deloitte Touche Tohmatsu. The Limited Assurance Statement can be found on page 78.

We will also commit to working towards expanding the number of data points that have been third-party assured (and use other parties to third-party validate data where possible), to ensure our calculations are accurate and improve the confidence of our stakeholders.

REPORTING STANDARD

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

WE WELCOME YOUR FEEDBACK

Please contact:
Swire Coca-Cola Limited
33/F Dorset House,
Taikoo Place, 979 King's Road,
HKSAR, China
SD@swirecocacola.com

SWIRE COCA-COLA AT A GLANCE

OUR PRESENCE IN THE COCA-COLA SYSTEM

As the fifth largest bottler by volume within The Coca-Cola System, we have the exclusive right to manufacture, market and distribute products of TCCC in 11 provinces and the Shanghai Municipality in Chinese mainland and in Hong Kong SAR, Taiwan Region and an extensive area of the western USA (U.S.).

2020 BUSINESS PERFORMANCE OVERVIEW

Swire Coca-Cola has ten wholly-owned franchise businesses (in Hong Kong SAR, Taiwan Region and the U.S., and in Fujian, Anhui, Guangxi, Jiangxi, Jiangsu and Hainan provinces and the cities of Zhanjiang and Maoming in Guangdong province in the Chinese mainland) and five majority-owned franchise businesses (in Zhejiang, Guangdong (excluding the cities of Zhanjiang, Maoming and Zhuhai), Henan, Yunnan and Hubei provinces in the Chinese mainland). We have a joint venture interest in a franchise in the Shanghai Municipality in the Chinese mainland and an interest in associates in Coca-Cola Bottlers Manufacturing Holdings Limited (CCBMH), which supplies still beverages to all Coca-Cola franchises in Chinese mainland. As of 31st December 2020, Swire Coca-Cola manufactured 60 beverage brands and distributed them to a franchise population of 741 million people.

OVERVIEW

Established in

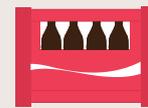


 SWIRE COCA-COLA



Annual Revenue

HK\$
45.1
BILLION



Annual Sales Volume

1.743
BILLION
unit cases



5TH
LARGEST
bottling partner
of TCCC



Presence in
4
markets



26
Bottling
plants

60
Beverage
brands



741
MILLION
Consumers



32,845
Employees[#]



3,401
Vehicles owned^{*}

[#] The number of employees is based on actual figures as of 31 Dec 2020. This number may vary from employee figures quoted in the Swire Pacific annual report due to different calculation cycles.

^{*} This includes vehicles wholly owned by Swire Coca-Cola and excludes vehicles owned by direct and indirect suppliers and/or contractors.

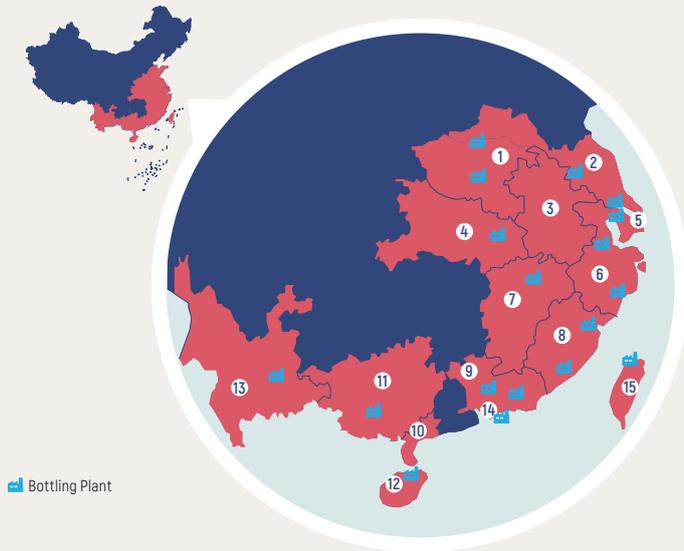
Footprint over 11 provinces and the Shanghai Municipality

FRANCHISE TERRITORIES

GREATER CHINA

Our Operating Areas:

- | | | |
|-------------|--------------------------|-------------------|
| 1. Henan | 6. Zhejiang | 11. Guangxi |
| 2. Jiangsu | 7. Jiangxi | 12. Hainan |
| 3. Anhui | 8. Fujian | 13. Yunnan |
| 4. Hubei | 9. Guangdong | 14. Hong Kong SAR |
| 5. Shanghai | 10. Zhanjiang, Guangdong | 15. Taiwan Region |



Chinese mainland 1 – 13

Bottling Plants	18
Preform Manufacturing Plant*	1
Employee#	23,283
Beverage Brands	23
Distribution Centres	275
Production Volume	6,082 million litres

Hong Kong SAR – Headquarters 14

Bottling Plant	1
Employee#	1,302
Beverage Brands	18
Production Volume	275 million litres

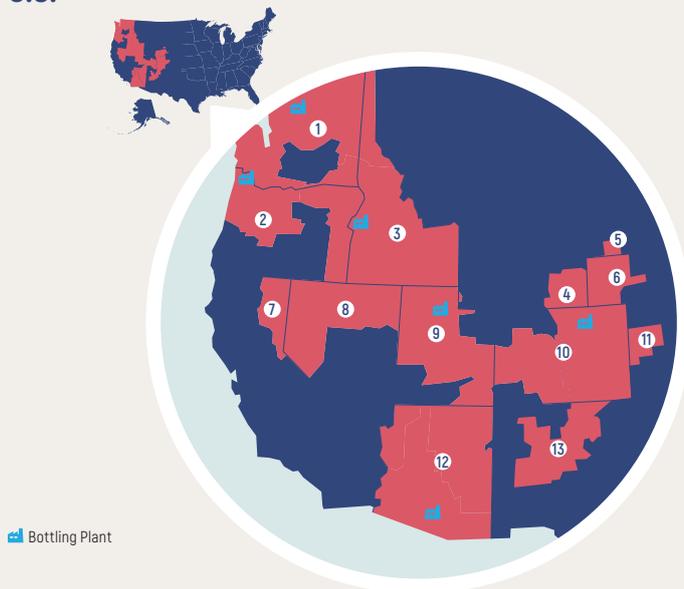
Taiwan Region 15

Bottling Plant	1
Employee#	895
Beverage Brands	15
Distribution Centres	3
Production Volume	156 million litres

* Xiamen Luquan plant is a preform manufacturing plant including one water production line owned by Swire Coca-Cola. The major operation in Xiamen Luquan plant involves preforms, closures and labels manufacturing.

The numbers of employees presented above include employees under both full time and part time permanent contracts and temporary contracts. This is based on actual figures as of 31 Dec 2020 and excludes staff at head offices globally. The numbers may vary from employee figures quoted in the Swire Pacific annual report due to different calculation cycles.

U.S.



Our Operating Areas:

- | | | |
|---------------|-----------------|----------------|
| 1. Washington | 5. South Dakota | 9. Utah |
| 2. Oregon | 6. Nebraska | 10. Colorado |
| 3. Idaho | 7. California | 11. Kansas |
| 4. Wyoming | 8. Nevada | 12. Arizona |
| | | 13. New Mexico |

U.S.

Bottling Plants	6
Employee	7,207
Beverage Brands	40
Distribution Centres	49
Production Volume	1,482 million litres

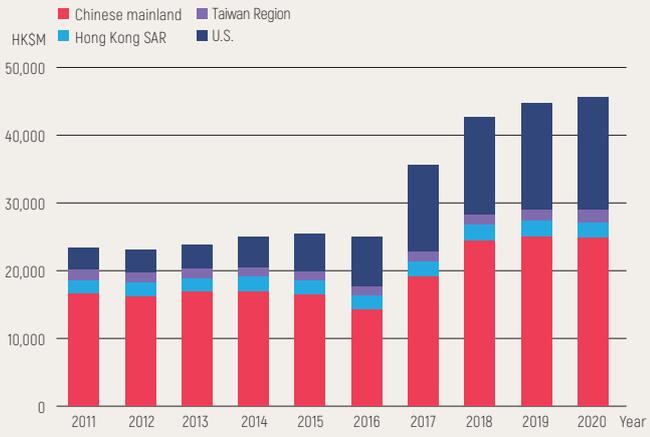
For detailed breakdown in each province and state, please refer to <https://www.swirecocacola.com/en/Our-Business/Franchise-Territories.html>

PER CAPITA CONSUMPTION IN FRANCHISE TERRITORIES

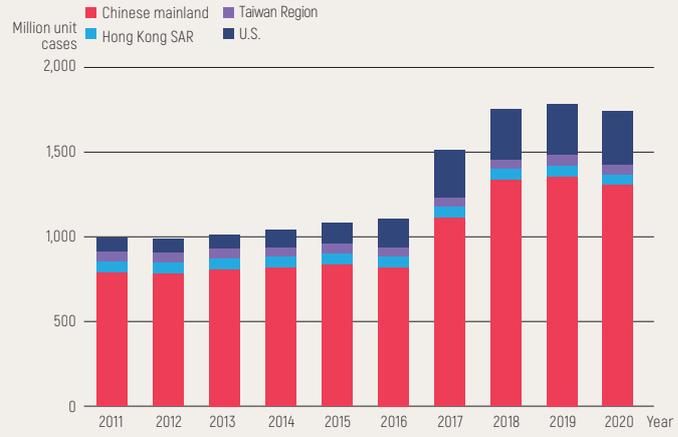
	Franchise population (in million, end 2020)	GDP per capita (US\$)	Sales volume (million unit cases)		Per capita consumption of Coca-Cola beverages (8-oz servings)
			2020	2010	
Chinese mainland	679.9	13,715	1,307	719	
Hong Kong SAR	7.5	45,510	56	60	
Taiwan Region	23.6	28,180	63	62	
U.S.	30.63	53,902	317	82	
Total	741.3		1,743	923	

KEY FINANCIAL DATA

REVENUE OVER 10 YEARS

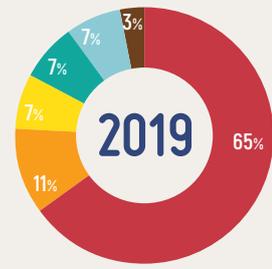
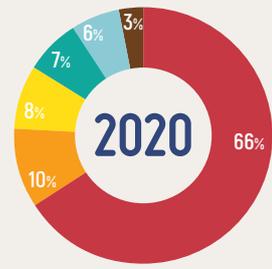


SALES VOLUME OVER 10 YEARS



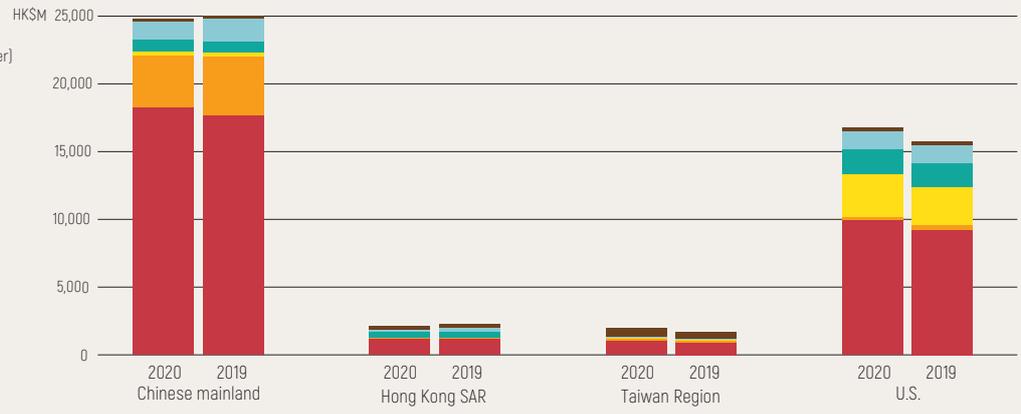
BREAKDOWN OF TOTAL REVENUE BY CATEGORY*

- Sparkling soft drinks
- Juices (including vitamin water)
- Energy & sports drinks
- Other still (excluding water)
- Waters
- Teas



BREAKDOWN OF REVENUE BY REGION AND CATEGORY*

- Sparkling soft drinks
- Juices (including vitamin water)
- Energy & sports drinks
- Other still (excluding water)
- Waters
- Teas



GROWTH IN REVENUE AND VOLUME IN 2020 BY CATEGORY**

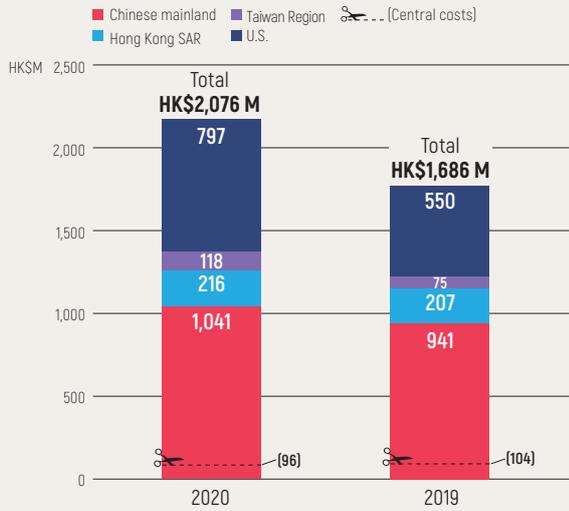
	Chinese mainland		Hong Kong SAR		Taiwan Region		U.S.	
	Revenue	Volume	Revenue	Volume	Revenue	Volume	Revenue	Volume
Sparkling	6%	4%	-1%	-7%	7%	5%	9%	3%
Juice	-10%	-10%	-13%	-14%	1%	-1%	-17%	-28%
Tea	14%	2%	-7%	-8%	14%	4%	-7%	-8%
Energy drinks	24%	23%	13%	10%	19%	21%	14%	13%
Other still (excluding water)	0%	-9%	-4%	-8%	-2%	12%	5%	1%
Water	-18%	-21%	-25%	-23%	16%	14%	1%	10%

* Revenue and volume include those of a joint venture company and exclude sales to other bottlers.

** Revenue (in local currency terms) and volume include those of a joint venture company and exclude sales to other bottlers.

KEY FINANCIAL DATA

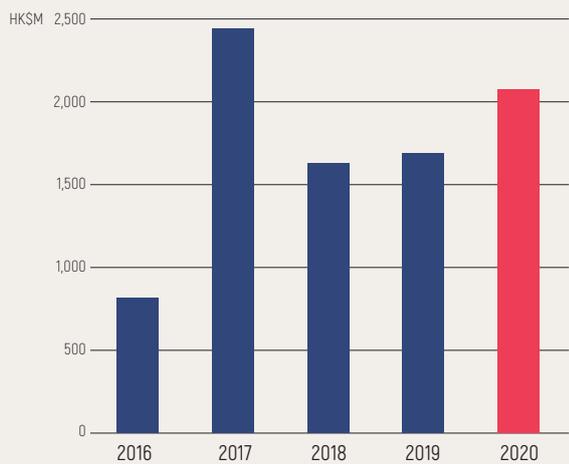
ATTRIBUTABLE PROFIT 2020 & 2019*



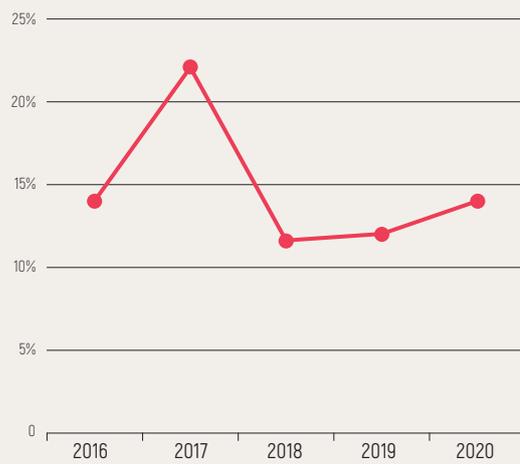
REVENUE BY MARKETS 2020 & 2019



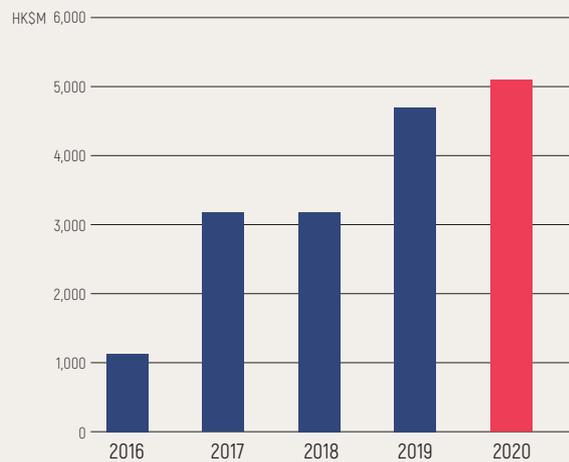
PROFIT ATTRIBUTABLE TO THE COMPANY'S SHAREHOLDERS



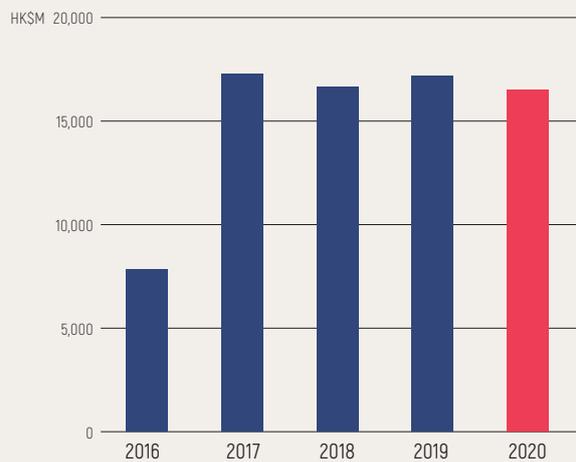
RETURN ON CAPITAL EMPLOYED



NET CASH GENERATED FROM OPERATING ACTIVITIES



CAPITAL EMPLOYED



OUR APPROACH TO MATERIALITY ASSESSMENT

We review and assess the materiality of sustainability issues on a regular basis in order to align with stakeholder expectations and an ever-changing business landscape. In 2020, we refreshed our materiality assessment through the following process:

OUR PROCESS

1

Identification of potential issues



Conducted desktop review to identify relevant sustainability issues through a scan of industry trends, international sustainability initiatives including the Sustainable Development Goals (SDGs), sustainability reporting frameworks such as GRI, and material issues identified by TCCC and other bottling companies.

Based on the review, 23 sustainability issues were shortlisted.



2

Review and Evaluation of Issues



Carried out online surveys and invited stakeholders to rate each sustainability issue by taking into consideration the respective importance and urgency.

Received 390 survey responses from stakeholders across all four markets, including:

- Employees of TCCC, Swire Pacific and Swire Coca-Cola
- Senior management of Swire Coca-Cola
- Suppliers
- Customers
- Local communities and NGOs
- Regulators and government departments

Utilised data analytics to screen social media and analysed public sentiment in the Chinese mainland towards:

- Sugar and sweeteners
- Single-use plastics
- Water scarcity

Formed an Independent Expert Panel, consisting of sustainability and industry experts from different markets, and convened two meetings to advise on:

- Emerging issues to Swire Coca-Cola's markets and operations
- Results of materiality assessment to review prioritised issues
- Findings from data analytics to suggest potential actions



3

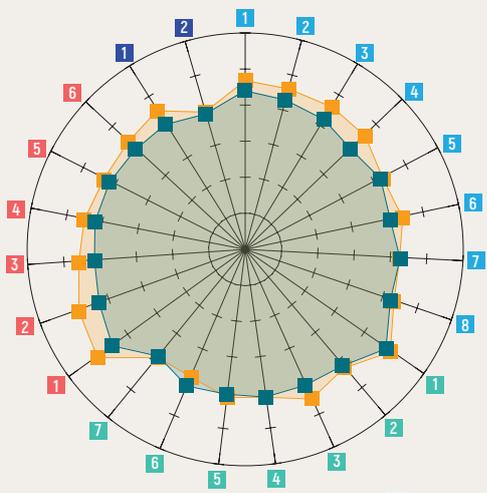
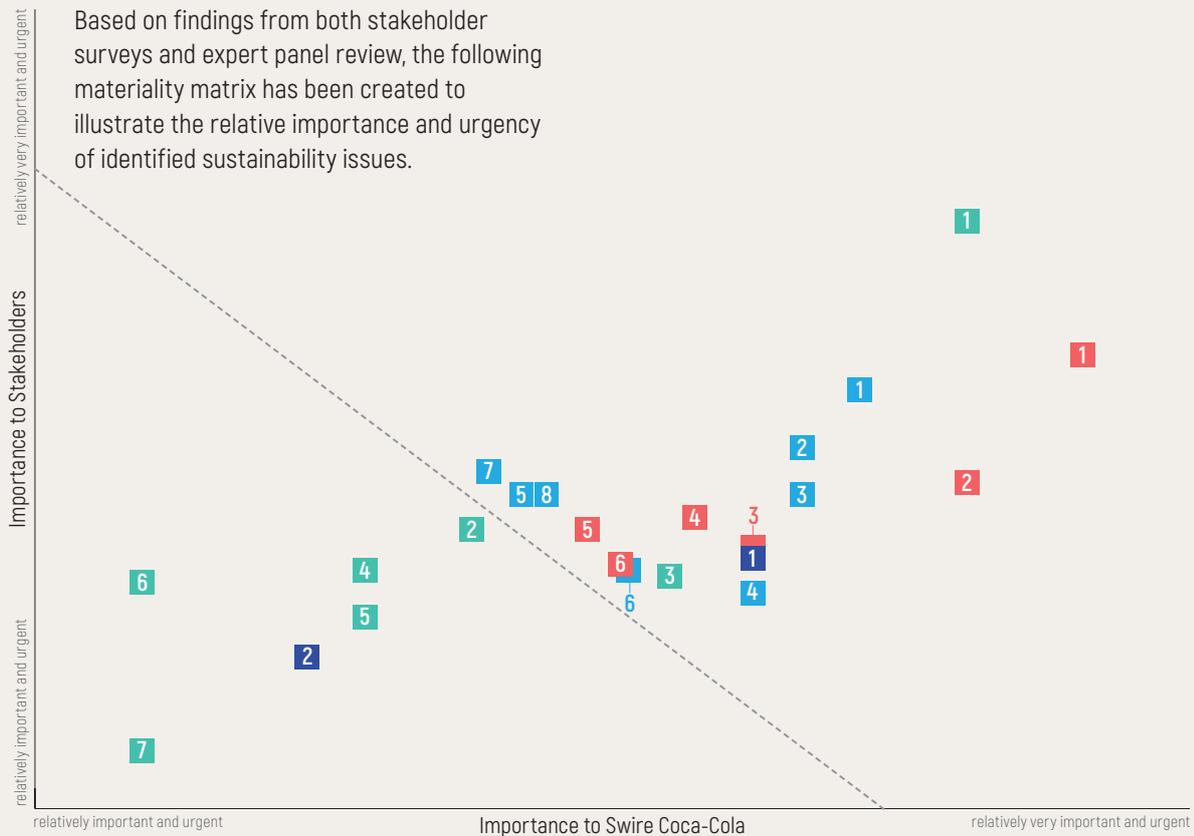
Validation of Issues



From the engagement and assessment, a materiality matrix was created to reflect 17 sustainability issues which are prioritised as a result of the stakeholder engagement surveys and expert panel review for management's validation.

In this report, we disclose the strategies and highlights of our focus areas, including the sustainability issues identified from the materiality assessment.

MATERIALITY MATRIX



Senior Management of Swire Coca-Cola
Other stakeholders of Swire Coca-Cola

PLANET

1. Waste
2. Water and effluents management
3. Packaging
4. Water replenishment
5. Circular economy*
6. Energy*
7. Emissions*
8. Climate change and resilience*

PRODUCT

1. Food safety and product quality
2. Responsible sourcing
3. Sugar reduction*
4. Product labelling and marketing
5. Supplier social assessment
6. Supplier environmental assessment
7. Nutrition

PEOPLE

1. Occupational health and safety
2. Employee attraction and retention
3. Training and education
4. Diversity and inclusion
5. Employee well-being and engagement
6. Community engagement*

GOVERNANCE AND ECONOMICS

1. Corporate governance, transparency and anti-corruption
2. Economic impact

--- Issues above the demarcation line are identified to be relatively more important and urgent.
* Issues suggested by the Independent Expert Panel to prioritise.

On top of reviewing the material issues identified by TCCC and other bottlers, we took another step to review and compare the results of the materiality assessment as a way to stay vigilant to any emerging issues. Our review showed that water as well as packaging and waste are two of the utmost material issues identified in The Coca-Cola System. As a consumer-facing

beverage company, certain product-related topics, such as sugar contents and product quality, are also shown to be material. Issues in relation to climate, energy and carbon, human rights and sourcing remain important, and as such we have targets in place to ensure we actively manage our impacts and impacts on our business.

This materiality assessment aligns with the GRI Standards and guides the development of contents in this report. We detail the management approach, highlights and progress on the sustainability issues that are identified as material.

SD 2030 TARGETS AND METRICS

OVERVIEW OF KEY PERFORMANCE INDICATORS (KPIs)

PLANET

Our Commitments and Targets	KPI Measurements	External Validation	2018 Baseline	Tracking Progress 2019	2020	2025 Target	2030 Target	TCCC Target
CLIMATE								
We will reduce absolute CO ₂ emission in our core operations - Scope 1 and 2 - in line with a 1.5 degree scenario, so 70% by 2030.	Total energy consumption (MJ)	★	3,045,450,293	3,028,938,964	3,104,603,051	-	-	
	Total greenhouse gas (GHG) by weight (CO ₂ e/t) (Scopes 1 & 2, excluding emissions from refrigerants).	★	419,901	418,019	418,714	25%	70%	SBT
We will purchase 100% renewable electricity for core operations by 2026.	SCOPE 2 - % OF RENEWABLE ELECTRICITY (OUTSIDE OF GRID FACTOR)							
	Chinese mainland		0%	3%	6%	100%	100%	
	Hong Kong SAR		0%	0%	0%			
	Taiwan Region		0%	0%	1%			
	U.S.		0%	0%	0.2%			
We will reduce our Energy Use Ratio.	ENERGY USE RATIO (EUR)							
	Chinese mainland - EUR		0.29	0.28	0.30			
	Hong Kong SAR - EUR		0.54	0.53	0.56			
	Taiwan Region - EUR		0.59	0.56	0.51			
	U.S. - EUR		0.28	0.29	0.28			
We will report in line with TCFD requirements by 2022.	TCFD REPORTING: Y/N		N	N	N	Y	Y	Y
We will absolutely reduce CO ₂ emissions by 30% in our core operations and value chain - Scope 1, 2 & 3 - in line with a well below 2 degree scenario by 2030.			0%	0%	0%	15%	30%	SBT - 25%
WATER								
We will further reduce our Water Use Ratio from 1.77 to 1.45 by 2030.	WATER USE RATIO (WUR)							
	Chinese mainland - WUR		1.77	1.75	1.80	1.60	1.45	
	Hong Kong SAR - WUR		2.39	2.47	2.64	2.21	1.70	
	Taiwan Region - WUR	●	2.29	2.26	2.31	2.01	1.70	
	U.S. - WUR		1.71	1.68	1.70	1.53	1.40	
	Swire Coca-Cola - WUR		1.74	1.77	1.82	1.60	1.45	1.70
We will continue to contribute to the Coca-Cola System goal of over 100% water replenishment.	Water replenished as a percentage of total water used in our beverages where sourced from areas of water stress (%)	▲	155%	160%	170%	compliance	compliance	Y [>100%]
Full regulatory compliance of wastewater discharge.	Y / N compliant		Y	Y	Y	compliance	compliance	KORE
We will have all SVAs and WMPs validated by a third-party by 2025.	Percentage of SVAs and WMPs validated by a third-party	✳	N	N	N	compliance	compliance	KORE
External validation of water stewardship.	CDP Rating B and above	◆	-	-	A rating	A rating	A rating	
We will endeavour to work with our co-packers on water efficiency performance and improvement.	Achievement = No. of co-packers as a percentage of total no. of co-packers		0%	0%	0%	compliance	compliance	
PACKAGING AND WASTE								
We will make sure that 100% of our primary packaging is technically recyclable by 2025.	PRIMARY PACKAGING BY TYPE - TECHNICALLY RECYCLABLE (Y/N)							
	PET (bottle, cap and label)		Y	Y	Y	100%	100%	Y - WWW
	Aluminium (AL) can		Y	Y	Y			
	Asceptic fibre pack		N	N	N			
	Returnable glass bottle		Y	Y	Y			
	Carboy (PC, type 7)		N	N	N			
	Pouch		N	N	N			
	Bag in Box (BiB)		N	N	N			
Ancillary items (straws / lids / cups)		N	N	N				
We will use more than 50% recycled material in our primary packaging by 2030.	PERCENTAGE OF MATERIAL USED IN PRIMARY PACKAGING THAT IS RECYCLED MATERIAL (%)							
	Chinese mainland - PET		0%	0%	0%	30%	50%	Y - WWW
	Hong Kong SAR - PET [Source: SCCL Procurement]		0%	0%	25% ¹			
	Hong Kong SAR - PET Water [Source: SCCL Procurement]		0%	100%	100% ²			
	U.S. - PET [Source: Coca-Cola Bottlers' Sales & Services (CCBSS) & Western Container]		0%	25%	25%			
	U.S. - PET Water [Source: CCBSS & Niagara co-packer]		0%	0%	0%			
	Taiwan Region - PET		0%	0%	0%			
	Chinese mainland - AL		0%	0%	10.8%			
	Hong Kong SAR - AL [Source: can supplier]		50-60%	0%	0%			
	U.S. - AL [Source: CCBSS]		57%	57%	77%			
Taiwan Region - AL		0%	0%	0%				

★ Limited Assurance, Deloitte.

● Company-level total water consumption (14,571,767m³) used to calculate the WUR is limited assured by Deloitte.

▲ TCCC's water replenishment figures are independently reviewed by Ernst & Young (EY).

◆ Voluntary questionnaire submission.

✳ SVAs and WMPs validated by a third-party.

Note:

1. On 600ml bottle size and below.

2. Except for 4.8L and 5L Bonaqua bottles in Hong Kong SAR.

OVERVIEW OF KEY PERFORMANCE INDICATORS (KPIs)



Our Commitments and Targets	KPI Measurements	External Validation	2018 Baseline	Tracking Progress 2019 2020		2025 Target	2030 Target	TCCC Target	
<p>PACKAGING AND WASTE</p> <p>We will collect and recycle a PET bottle or AL can for each one we sell by 2030.</p>	VERIFIED PET COLLECTION RATES AND SOURCE						-	100%	Y-WWW
	Chinese mainland [China Beverages Industry Association (CBIA)]		95%	95%	95%				
	Hong Kong SAR [Environmental Protection Department (EPD) - HKSAR Gov]		7%	0.2%	0.2%				
	Taiwan Region [EPD - Taiwan]		72%	73%	80%				
	U.S. [No good data except for Oregon's deposit system by Oregon Beverage Recycling Cooperative (OBRC)]		no data	no data	no data				
	VERIFIED AL CAN COLLECTION RATES AND SOURCE								
	Chinese mainland [CBIA]		99%	99%	99%				
	Hong Kong SAR [EPD - HKSAR Gov]		no data	no data	no data				
	Taiwan Region [EPD - Taiwan]		72%	73%	73%				
	U.S. [No good data except for Oregon's deposit system by OBRC]		no data	no data	no data				
	VERIFIED PET RECYCLING RATE								
	Chinese mainland		No verifiable data						
	Hong Kong SAR								
	Taiwan Region								
U.S.									
VERIFIED AL CAN RECYCLING RATE									
Chinese mainland		No verifiable data							
Hong Kong SAR [EPD - HKSAR Gov]									
Taiwan Region									
U.S.									
<p>We will also collect and make sure all secondary and tertiary packaging is 100% technically recyclable and collected by 2030.</p>	All secondary and tertiary packaging volumes measured and captured by RA [Y/N]		Y	Y	Y	-	100%		
	All secondary packaging technically recyclable [Y/N]		N	N	N				
	All tertiary packaging technically recyclable [Y/N]		N	N	N				
	Is the chain of custody transparent for secondary and tertiary packaging [Y/N]		N	N	N				
<p>We will achieve zero landfill and incineration for our core operations and verified by third-party by 2025.</p>	WASTE GENERATED (%) FROM CORE OPERATIONS TO LANDFILL AND INCINERATION						-	0%	
	Chinese mainland		37%	38%	27%				
	Hong Kong SAR		17%	26%	18%				
	Taiwan Region		31%	17%	16%				
	U.S.		5%	2%	4%				
	NO. OF PLANTS TO ATTAIN ZERO TO LANDFILL		0	0	0				
<p>We will achieve zero landfill and incineration for co-packers and verified by third-party by 2030.</p>	No. of co-packers who have attained independently verified zero to landfill status		0	0	0	-	100%		
<p>Partner with TCCC to ensure our local product labelling design includes a) technical recyclable status; b) user instructions; and c) recycled content (%).</p>	LABELING (COMPLIANT)						-	Y	
	Chinese mainland [Y/N]		N	N	N				
	Hong Kong SAR [Y/N]		N	N	N				
	Taiwan Region [Y/N]		N	N	N				
	U.S. [Y/N]		N	N	N				

- ★ Limited Assurance, Deloitte.
- Company-level total water consumption (14,571,767m³) used to calculate the WUR is limited assured by Deloitte.
- ▲ TCCC's water replenishment figures are independently reviewed by Ernst & Young (EY).
- ◆ Voluntary questionnaire submission.
- ✱ SVAs and WMPs validated by a third-party.

OVERVIEW OF KEY PERFORMANCE INDICATORS (KPIs)

PRODUCT

Our Commitments and Targets	KPI Measurements	External Validation	2018 Baseline	Tracking Progress 2019	2020	2025 Target	2030 Target	TCCC Target
PRODUCT CHOICE								
We will reduce average sugar content in 100mL of beverages by 20% by 2025.	SUGAR CONTENT PER 100ML					-	-	
	Chinese mainland		7.0	7.1	6.8			
	Hong Kong SAR		5.3	5.2	5.2			
	Taiwan Region		7.2	7.0	5.7			
	U.S.		6.3	6.3	6.2			
	% OF VOLUME SOLD WHICH IS LOW OR NO SUGAR							
	Chinese mainland		26%	28%	25%			
	Hong Kong SAR		47%	47%	50%			
	Taiwan Region		27%	28%	49%			
U.S.		35%	41%	41%				
Front of Pack nutrient labelling on all products in all markets (except RB).	% OF PRODUCTS WITH NUTRIENT INFORMATION ON FRONT-OF-PACK LABELLING TO TOTAL PACKAGING PUT ONTO THE MARKET (%)		-	-	-	100%	100%	
Food Safety Certification of plant operations.			100%	100%	100%	100%	100%	KORE
We commit to no advertisement or promotion to children under the age of 12.	Y / N COMPLIANT		Y	Y	Y	100%	100%	Y
SOURCING								
We will ensure all suppliers comply to the Supplier Guiding Principles (SGP) by 2020.			Y	Y	Y	100%	100%	KORE
We will ensure all our key agricultural ingredients are sourced from third-party verified sustainable sources by 2025.			Y	Y	Y	100%	100%	KORE

PEOPLE

Our Commitments and Targets	KPI Measurements	External Validation	2018 Baseline	Tracking Progress 2019	2020	2025 Target	2030 Target	TCCC Target
OUR PEOPLE								
Zero Harm	WORK RELATED FATALITIES	★	0	1	1	0	0	
Reduce TIR by 50% by 2030.	TOTAL INJURY RATE (TIR)		2.15	2.21	1.84	1.6	1.1	
	Chinese mainland		0.58	0.50	0.39			
	Hong Kong SAR		1.63	1.00	1.30			
	Taiwan Region		2.11	1.81	1.24			
	U.S.		7.40	7.24	6.46			
Reduce LTIR	LOST TIME INJURY RATE (LTIR)		0.54	0.59	0.50	-	-	
	Chinese mainland		0.29	0.28	0.17			
	Hong Kong SAR		1.52	0.89	0.96			
	Taiwan Region		0.89	1.47	0.68			
	U.S.		1.03	1.31	1.41			
We will foster gender equality and increase women in leadership to 50% by 2030.	% OF FEMALE MANAGERS		26%	26.0%	27.6%	39%	50%	
	Chinese mainland		27.0%	27.0%	27.5%	39%	50%	
	Hong Kong SAR		44.0%	44.4%	40.7%	45%	50%	
	Taiwan Region		35.0%	35.1%	34.6%	43%	50%	
	U.S.		18.0%	18.3%	19.6%	34%	50%	
We will ensure 100% compliance to Workplace Rights Policy by third-party validation.	% OF SWIRE COCA-COLA OPERATIONS COMPLIANT TO WORKPLACE RIGHTS POLICY		100%	100%	100%	100%	100%	
COMMUNITY								
We encourage employees to volunteer to achieve on average 8 hours per person per year by 2025.	NUMBER OF AVERAGE VOLUNTEERING HOURS		-	0.83	0.88	8	8	
We invest a 1% of Swire Coca-Cola's annual profit to the CSR fund by 2025. ³	% OF ANNUAL CSR FUND INVESTMENT TO THE IDENTICAL PERIOD OF SWIRE COCA-COLA'S PROFIT		-	0.5%	0.5%	1%	1%	

★ Limited Assurance, Deloitte.

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▲ TCCC's water replenishment figures are independently reviewed by Ernst & Young (EY).

◆ Voluntary questionnaire submission.

* SVAs and WMPs validated by a third-party.

Note:

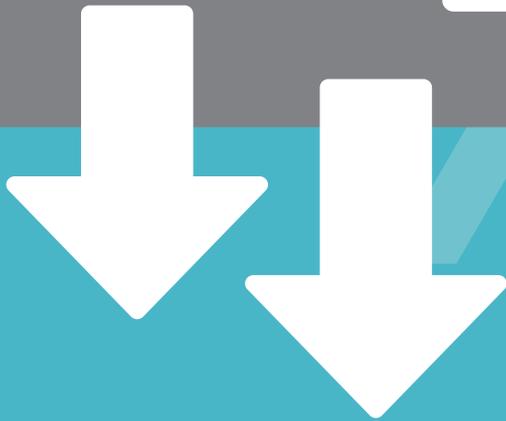
3. Donate to Swire Trust, Emergency relief in DME.



CLIMATE



CO₂





OVERVIEW

OBJECTIVE

We aim to reduce absolute carbon emissions from across our value chain, enhance our business resilience to climate change – and report our annual progress using the internationally accepted standards of the Science Based Targets initiative (SBTi) and TCFD.



Snow hits Madrid as temperatures plummet in Spain, January 2021

©Getty Images

RELEVANT SUSTAINABILITY TOPICS



ENERGY



EMISSIONS



CLIMATE CHANGE AND RESILIENCE

RELEVANT SDGS



CLIMATE CHANGE URGENCY – WHY IT MATTERS

The global average temperature in 2020 was about 1.25°C warmer than the pre-industrial period of 1850-1900, according to new data from the Copernicus Climate Change Service¹, an Earth observation programme by the European Union. When compared to the 1981-2010 period, the global average temperature in 2020 was 0.6°C warmer, with significant warming seen in the Arctic.

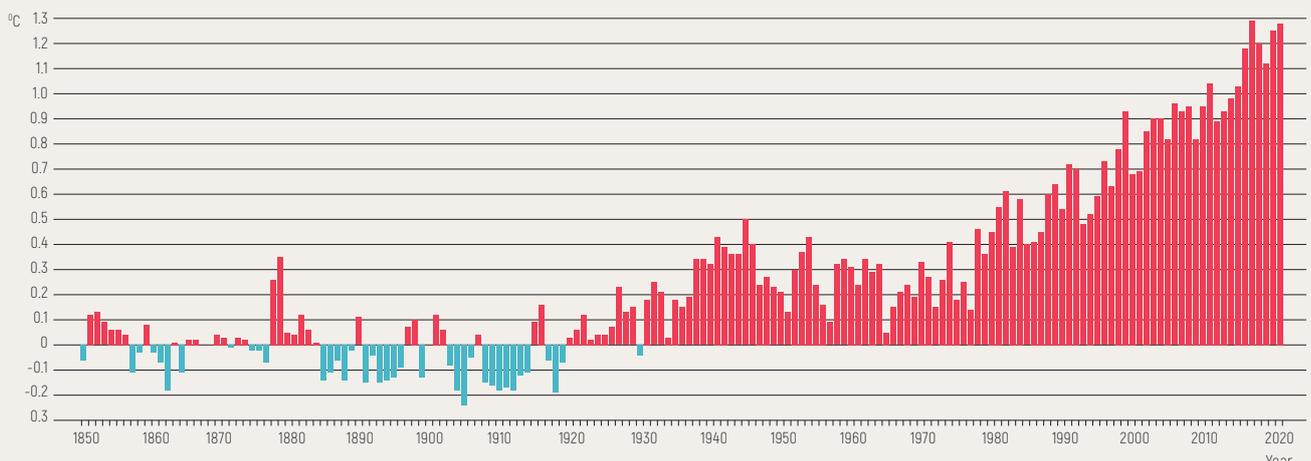
The United Nations (UN) Environment Programme Emissions Gap Report 2020² states that the world is still heading towards a 3°C increase in temperatures by the end of the century, despite 2020 global emissions of CO₂ declining by 7% because

of reduced economic activity. Around 34 billion tonnes of CO₂ were emitted from burning fossil fuels, according to the Global Carbon Project³.

Sadly, climate reductions are not keeping pace with climate science. This is of great concern and only reinforces the need to do more and faster. If we collectively fail to decarbonise rapidly enough, we will need to undertake an even more challenging task of creating a 'net negative emission' economy that requires new technologies and nature-based solutions deployed at scale to remove carbon emissions from the atmosphere⁴.

GLOBAL AVERAGE TEMPERATURE DIFFERENCE* 1850-2020

*compared to 1850-1900 pre-industrial levels
Data source: HadCRUT5, Met office





In response to this climate change urgency, dozens of countries have set new climate targets over 2020, specifically within the European Union as part of the European Green Deal⁵, Chinese mainland, Japan and South Korea. At the corporate level, many companies have set science-based targets consistent with reductions required to keep warming below 2°C, with clear strategies around absolute Scope 1 and 2 emissions reductions. Some companies have laid out net zero ambitions on defined timescales, and more importantly provided transparent strategies covering how they plan to address absolute reductions in Scope 3 emissions. Some companies have also started reporting in accordance with TCFD guidelines to further disclose the financial implications of climate change.

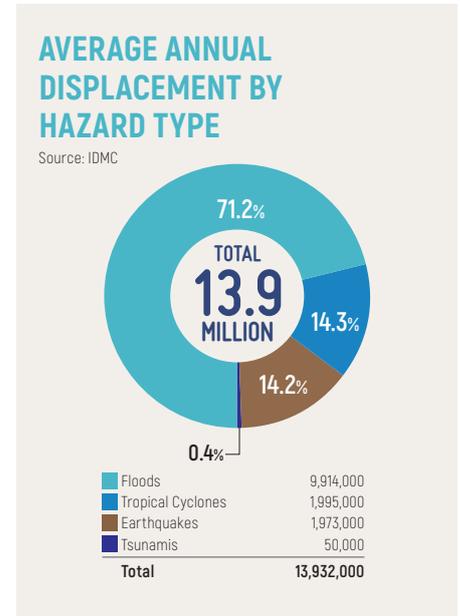
There is also a change in the media's coverage of climate change as Scope 1, 2 and 3 are now common vernacular.

Additionally, in the ramp up to the 26th UN Climate Change Conference (COP26), there seems to be a renewed push to bring transparency to the carbon offset markets, which currently does not have enough scale or international regulation to help achieve net-zero global emissions targets⁶.

On business resilience to climate change, based on an analysis by the reinsurance giant Swiss Re Institute, global economic losses from natural disasters, including climate-related events and earthquakes, amounted to \$175 billion in 2020⁷, whereas \$76 billion of that were insured, becoming the fifth-highest total since 1970⁸.

With our clear climate strategy laid out in our 2030 Sustainable Development Strategy, we are proud to announce the establishment of our SBTs and to embark on our journey of reporting in accordance

with the TCFD guidelines. As a critical next step, we will need a better understanding and visibility of the climate-related risks across our value chain.



STRATEGY

We aim to:

<p>1</p> <p>Transition to electricity derived from 100% renewable energy (RE) for core operations</p>	<p>2</p> <p>Achieve - 70% recycled PET (rPET) - 100% recycled aluminium (rAL) packaging for our products</p>	<p>3</p> <p>Increase the recovery rate of PET and aluminium packagings up to 80% in Chinese mainland and Hong Kong SAR</p>	<p>4</p> <p>Increase the energy efficiency of cold-drink equipment (CDE)</p>	<p>5</p> <p>Engage our suppliers to reduce carbon emissions from packaging materials and ingredients</p>
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1. The Copernicus Climate Change Service [2021]. <https://climate.copernicus.eu/2020-warmest-year-record-europe-globally-2020-ties-2016-warmest-year-recorded>
2. The United Nations Environmental Programme [2020]. Emissions Gap Report 2020. <https://www.unep.org/emissions-gap-report-2020>
3. Carbon Brief [2020]. Global Carbon Project: Coronavirus causes 'record fall' in fossil-fuel emissions in 2020. <https://www.carbonbrief.org/global-carbon-project-coronavirus-causes-record-fall-in-fossil-fuel-emissions-in-2020>
4. The University of Cambridge – Institute for Sustainability Leadership. Targeting Net Zero, a strategic framework for business action. <https://www.cisl.cam.ac.uk/resources/publication-pdfs/net-zero-buisness-briefing.pdf>
5. The Guardian [2020]. EU parliament votes for 60% greenhouse gas emissions cut by 2030. <https://www.theguardian.com/world/2020/oct/08/eu-parliament-votes-carbon-greenhouse-gas-emissions-reduction-2030>
6. Bloomberg [2020]. UN's Carney Says Carbon Offset Market Has Become Imperative. <https://www.bloomberg.com/news/articles/2020-10-14/un-s-carney-says-carbon-offset-market-has-become-imperative>
7. Swiss Re Group [2020]. Swiss Re institute estimates USD 83 billion global insured catastrophe losses in 2020, the fifth-costliest on record. <https://www.swissre.com/media/news-releases/nr-20201215-sigma-full-year-2020-preliminary-natcat-loss-estimates.html>
8. Quartz [2020]. What natural disasters cost the global economy in 2020. https://qz.com/1950391/the-10-most-expensive-natural-disasters-of-2020/?utm_source=email&utm_medium=daily-brief&utm_content=10497818



OUR COMMITMENTS AND PROGRESS

DECARBONISATION

TARGET

Managed under our SBTs.



Scope 1 & 2 Emissions

Reduce absolute carbon emissions in our core operations against a 2018 baseline:

Scope 1, 2 & 3 Emissions

Reduce absolute carbon emissions from our value chain against a 2018 baseline:



PROGRESS



SCIENCE-BASED TARGETS

TARGET

Approved in 2020.



We will follow the SBTi's methodology to set our decarbonisation targets and actions, to limit global warming to 1.5°C above pre-industrial levels. Our target will cover our entire value chain.



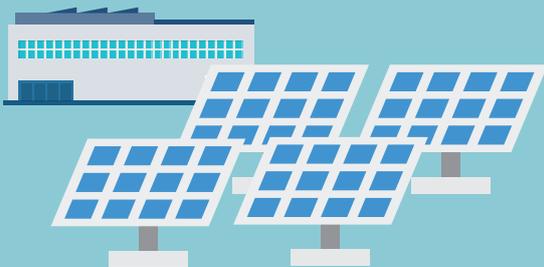
PROGRESS



RENEWABLE ENERGY

TARGET

Electricity derived from 100% renewable energy for core operations by:



PROGRESS



TCFD

TARGET

By 2022, we will voluntarily adopt the TCFD disclosure recommendations.



PROGRESS

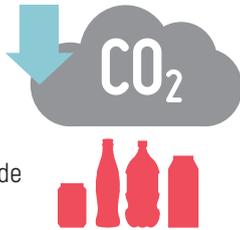




WHAT WE'RE DOING

Our clear climate strategy has two main focuses:

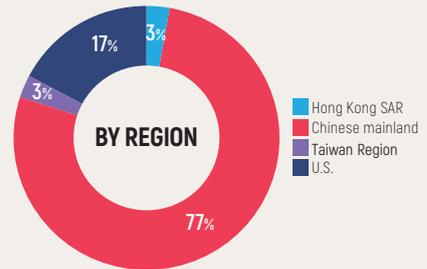
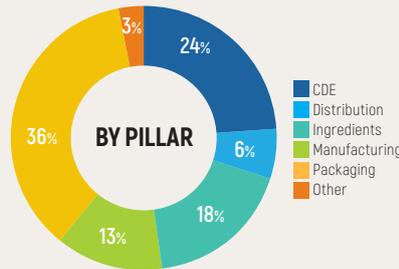
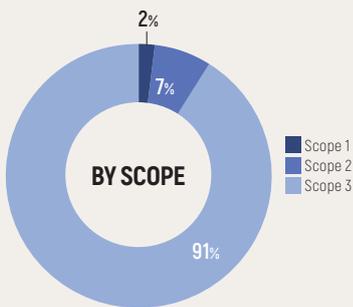
1 Decarbonising across our value chain, guided by our SBTs, to address and mitigate our impact on the climate. We prioritise our strategy based on the magnitude of emissions from our value chain.



2 Reporting in accordance with TCFD to address the climate's impact upon us. We have started to study the climate-related financial risks.

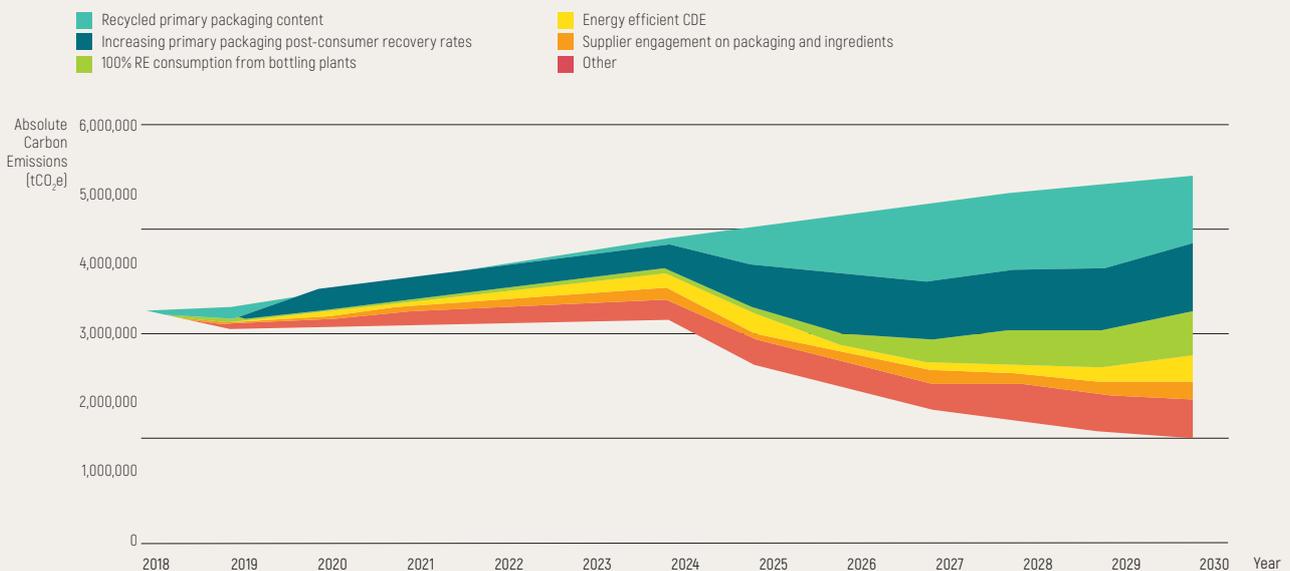


2018 MAPPING EMISSIONS BREAKDOWN*



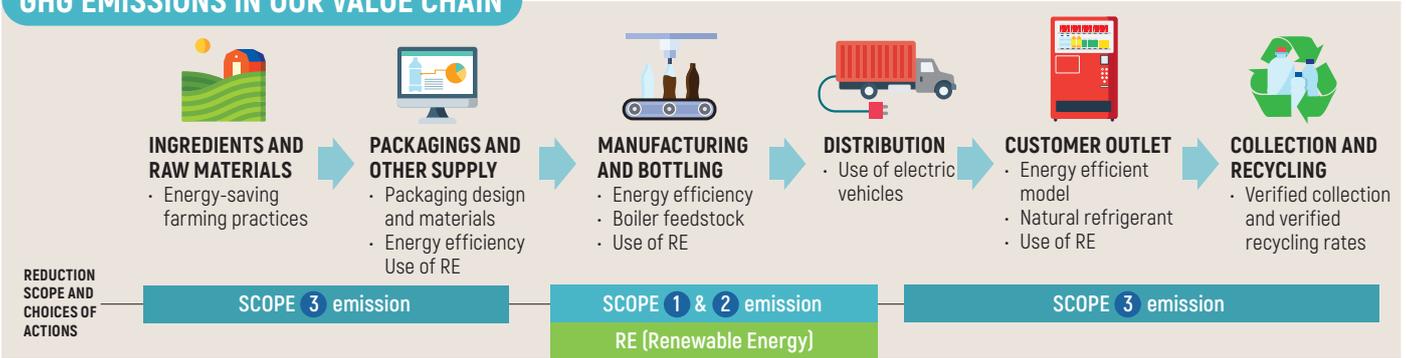
* We have set 2018 as our baseline year.

EMISSION SAVING PROJECT BY REDUCTION OPPORTUNITIES COMPARED WITH THE BUSINESS AS USUAL SCENARIO (BAU)





GHG EMISSIONS IN OUR VALUE CHAIN



DECARBONISATION

The following highlights key 2020 projects in our efforts to address absolute reductions in our GHG emissions:

Scope of emission	Reduction opportunity	Highlights
Scope 2	Electricity from 100% renewable energy	Working Group We set up a dedicated working group to help us navigate the transition to using electricity derived from 100% RE in core operations.
		Photovoltaics (PV) Projects in the U.S. The new Yuma distribution centre in Arizona included a 324kW rooftop PV system. The system is estimated to produce over 560,000 kWh each year, which covers 100% of the energy needed to power the building.
		Electricity from 100% Renewable Energy in Yunnan and Hubei In 2020, we engaged our current electricity providers to take advantage of the rules governing the wholesale market, whereby we and the said utility could bilaterally register. From January 2021, our Yunnan and Hubei operations will be using electricity from 100% renewable energy. Certification to substantiate this is now being worked on. Our operations in the Yunnan and Hubei Provinces equates to approximately 8% of our electricity consumed in the Chinese mainland market.
Scope 3 (heavily skewed to Chinese mainland)	CDE	We had mixed success in the roll out of replacement conventional coolers in Chinese mainland with 398L coolers that are 39% more energy efficient.
	Packaging	We moved to using 10.8% rAL in Chinese mainland and 72% rAL in the U.S. We moved to using 100% rPET for Bonaqua water bottles in Hong Kong SAR (except for 4.8L and 5L sizes).



TCFD REPORTING

One of the new ESG reporting requirements, mandated by the HKEx for listed companies in Hong Kong SAR, makes reference to the TCFD recommendations and focuses on the disclosures on potential climate-related impacts on companies as well as the potential contribution that companies have on climate change. With this set of disclosure requirements coming into force in 2020, more companies are starting to place emphasis on conducting climate scenario analysis, disclosing risks and impacts on business and articulating mitigation measures.

At Swire Pacific, our parent company, the GRMC and the Sustainable Development Office (SDO) lead the modeling of the potential climate risks and financial impacts of climate change across the Intergovernmental Panel on Climate Change (IPCC) climate scenarios. This is supported by Corporate Finance and Group Finance along with the operating companies. In 2020, Swire

Pacific engaged with The Climate Service¹ – a cloud-based climate risk mapping platform provider – to help identify and address the potential risks to our businesses posed by climate change, as well as to facilitate our response to TCFD. The tool will enable us to identify the potential climate risks and financial impacts of climate change.

1. The Climate Service. <https://www.theclimateservice.com/>



PERFORMANCE

DECARBONISATION

Our SBTs were approved by the SBTi in 2020. We commit to reducing absolute Scope 1 and 2 GHG emissions by 70% and on an aggregated basis, including Scope 3, by 30% by 2030 – all against a 2018 baseline. Since setting the targets, work has been focused on scoping projects prioritised on impact to deliver these goals. A full SBT progress report will be published annually. It can be **downloaded** here:

SCCL SBT
Progress Report 2020

GHG EMISSIONS

Our commitments:



Scope 1 & 2 Emissions

Reduce absolute carbon emissions in our core operations against a 2018 baseline:

Scope 1, 2 & 3 Emissions

Reduce absolute carbon emissions from our value chain against a 2018 baseline:



In 2020,

SCOPE 1 Total direct emissions:

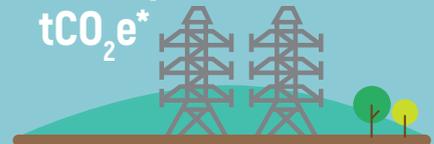
73,720
tCO₂e*



* tonnes of CO₂ equivalent

SCOPE 2 Total indirect emissions:

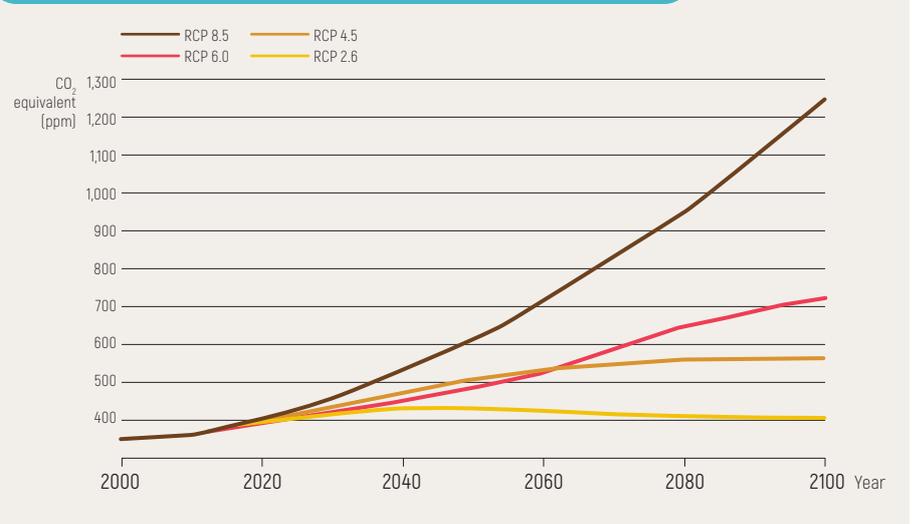
344,994
tCO₂e*



TCFD REPORTING

In conjunction with Swire Pacific, we have appointed The Climate Service to help assess the climate-related financial risks over the representative concentration pathway (RCP) scenarios. RCP 6.0 and RCP 2.6 scenarios will be built into the analysis in due course.

IPCC REPRESENTATIVE CONCENTRATION PATHWAY





LOOKING FORWARD

Echoing our overall climate strategy, we will focus on two areas:

DECARBONISATION

RE100

To move ahead on achieving our decarbonisation targets, we envisage shifting our focus towards setting out how to achieve RE100 in Chinese mainland and in the U.S.. We have identified a number of RE projects to commence at three sites located in Colorado and Arizona (representing 48% electricity consumption of business operations, including manufacturing plants, sales centers and distribution centers in the U.S.), and three sites in the Guangdong Province (representing 19% of our Chinese mainland electricity consumption), and target to have solutions in place by 2021/2022.

RE100 in Chinese mainland

A new replacement bottling plant in Zhengzhou will be completed in 2022 to replace the existing one, and have a PV system installed. We also foresee the completion of the PV system in Huizhou in 2021.

RE100 in the U.S.

We have commenced the installation of a rooftop solar PV system in Colorado Springs, CO Distribution Centre, which is estimated to generate 1,382,000 kWh of renewable energy annually. As we move towards RE100, more of our plants will implement PV systems namely in Glendale and Tucson, Arizona will commence to install PV systems in 2021. With a new U.S. government administration in place, we will keep abreast on the latest climate policies

and the feasibility of increasing the usage of electricity derived from 100% RE for our core operations in the U.S.

Scope 3 Reduction Opportunities

The key focus for 2021 is to have clear strategies against timelines for the following projects – all Chinese mainland focused:

- Moving as fast as possible to achieve 50% rAL.
- Developing a timeline on transitioning from cassette cooler to split and other more efficient cooler systems for the coolers in the Chinese mainland.
- Completing a project in conjunction with TCCC on calculating a supplier specific emission factor for a key aluminium supplier in the Chinese mainland.

Policy on Decarbonisation

In September 2020, Chinese mainland pledged to be carbon neutral by 2060. In order to achieve this goal, there will need to be a significant shift in the Chinese mainland's energy mix towards low-carbon sources. While our climate strategy is aligned in the adoption of more renewable energy sources especially for our Chinese mainland operations, it is crucial that we stay abreast of policy changes and seize opportunities that would enable us to meet our carbon emissions reduction targets.

TCFD REPORTING

We will work with The Climate Service to identify our climate-related financial risks using insured values versus financial contributions. The process

will take place in stages to look at risks posed from the physical, transition and liability perspectives, across the four RCP scenarios.

Stage I of this analysis is expected to produce a list of high-risk assets on a physical and or transition basis, which can then be looked at further. To date, discussions are still on-going as to the extent to which these potential climate risks and financial impacts will be reported externally.

We as a business still need to discuss and align on some deeper discussions around how we help facilitate climate change and resilience into our company's management practises. Cambridge Institute for Sustainability Leadership published Targeting New Zero¹ in 2020 to propose a clear framework for action, helping us integrate these considerations into our business strategy. On top of this, we as a company will also need to discuss and look at how we can factor in the following:

- Externalities, such as placing an internal price of carbon on all financially based analysis and decisions.
- Accelerating depreciation rates, for example on less efficient CDE.
- Working through alternative power sources for the boilers in our bottling plants.

1. The University of Cambridge – Institute for Sustainability Leadership. Targeting Net Zero, a strategic framework for business action. <https://www.cisl.cam.ac.uk/resources/publication-pdfs/net-zero-buisness-briefing.pdf>

The image features a dark blue background with stylized water elements. In the top left, there are three light blue wavy lines. In the top right, there are three medium blue wavy lines. In the center, the word "WATER" is written in a bold, white, sans-serif font. Below the text, there are two light blue water droplets of different sizes. At the bottom, there are three thick white wavy lines that overlap a large, light blue water droplet shape.

WATER

OVERVIEW

OBJECTIVE

We aim to reduce water use from our own operations and supply chain partners, and safeguard water resources in the community/regions we operate in.



Water replenishment in The Provo River - the Uinta Mountains, Utah, the U.S. © Trout Unlimited

RELEVANT SUSTAINABILITY TOPICS



**WATER AND EFFLUENT
MANAGEMENT**



**WATER
REPLENISHMENT**

RELEVANT SDGS



WATER STEWARDSHIP – WHY IT MATTERS

Water is the most important ingredient in our products. Ensuring the safe and stable availability and affordability of freshwater is essential both for the production of our products and for the sustainability and wellbeing of local ecosystems and communities. As a beverage producer, we shoulder the responsibility to advocate for the protection of water quality, and the active management and efficient usage of this valuable resource.

The impacts of climate change, in conjunction with population and economic growth, have put more stress on the supply of clean and potable water. While climate change continues to exacerbate water stress as it shifts rainfall patterns and hydrological systems, the United Nations predicts that the world could suffer from a 40% shortfall in water supply by 2030¹.

As access to water is vital for our diverse demographic across four markets, we acknowledge the goal of preserving water quality and quantity requires collaborative efforts at the corporate level and at the community level.

It is encouraging to see that the World Wildlife Fund's (WWF) water risk filter has just added new climate scenarios². The interesting aspect of this tool is that they have built in a number of different IPCC climate scenarios, so users can use the tool to identify their watershed level risks under a number of climate scenarios. This is an example of how the issues of water and climate can be linked. For a beverage company like ourselves, we can use these tools to enhance our management of water stewardship and reporting on these subject matters.

STRATEGY

We aim to:

1
Reduce
the water footprint of our own operations by setting ambitious targets and improving water efficiency

2
Recycle
treated wastewater back into our operations or the natural water system

3
Replenish
natural water sources through partnerships with stakeholders

4
Report
annually via CDP

1. United Nations Environment Programme (2015), Options for decoupling economic growth from water use and water pollution. Report of the International Resource Panel Working Group on Sustainable Water Management: <https://www.resourcepanel.org/reports/options-decoupling-economic-growth-water-use-and-water-pollution>
2. World Wildlife Fund. Water Risk Filter. <https://waterriskfilter.panda.org/en/Explore/Scenarios>

OUR COMMITMENTS AND PROGRESS

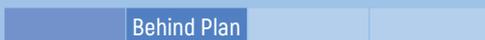
WATER USE RATIO (WUR)

TARGET

By 2030, further reduce our WUR* from 1.82 to 1.45.



PROGRESS



* WUR is the amount of water used to produce one litre of beverage.

WATER REPLENISHMENT

TARGET

Contribute to the Coca-Cola System's goal on water replenishment: For every drop we use, we give one back.

In 2020, the replenishment of water used in the global sales volume:



PROGRESS



CO-PACKER WATER USE

TARGET

Introduce a new governance mechanism to improve the water reporting and efficiency of our co-packers.

Our plan has been delayed due to the COVID-19 pandemic, but we envisage to implement this in 2021.

PROGRESS



WASTEWATER DISCHARGE

TARGET

Ensure wastewater discharged from all Swire Coca-Cola plants and our copackers' plants fully comply with regulations.

TCCC requires all bottlers to fully comply with local regulations for wastewater discharge and has mechanisms in place to track water quality performance.

PROGRESS



SVA & WMP THIRD-PARTY VERIFICATION

TARGET

By 2025, obtain third-party verification for all Source Vulnerability Assessments (SVA) and Water Management Plan (WMP)*.

SVAs and SWPPs are currently validated by TCCC. In 2020, we completed a comprehensive review on our SVA and WMP and rolled out a five-year plan to obtain third-party verification.

PROGRESS



* Previously known as Source Water Protection Plans (SWPP).

CARBON DISCLOSURE PROJECT (CDP)

TARGET

Ongoing participation in the voluntary CDP Water Security questionnaire.

We achieved an A rating in the 2020 questionnaire.



PROGRESS



UNDERSTANDING OUR WATER RISKS

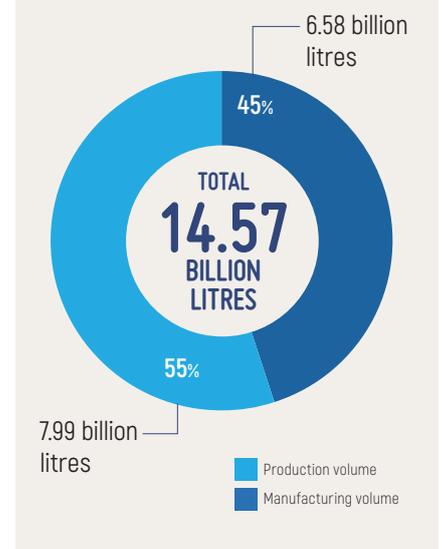
Every Swire Coca-Cola bottling plant has completed a site-specific evaluation of local water risks, including water quality and availability. We assess the potential water risks in where we operate and monitor our WURs.

 Bottling plants
  Preform Manufacturing Plant
 Co-packers
  Coca-Cola Bottlers Manufacturing Holdings Limited (CCBMH)

LEVEL OF OVERALL WATER RISK*

	LOW	LOW - MEDIUM	MEDIUM - HIGH	HIGH	EXTREMELY HIGH	
Chinese mainland¹		        7 Bottling plants   2 Co-packers         6 CCBMH	      5 Bottling plants  1 Preform Manufacturing Plant      3 Co-packers  1 CCBMH	        6 Bottling plants  1 Co-packer         4 CCBMH ²	    3 CCBMH ³	
Hong Kong SAR⁴		 1 Bottling plant				
Taiwan Region		   1 Bottling plant 2 Co-packers				
U.S.	  2 Bottling plants	  2 Bottling plants	  2 Bottling plants			

2020 TOTAL WATER USE



* Water risk level here reflects baseline water stress based on historic data spanning 1960-2014. Future water stress is also assessed through the World Resource Institutes' Aqueduct Water Risk Atlas to project water stress impact of different climate scenarios in 2030.

Note:

- A total of 17 CCBMH facilities supplied finished products to Swire Coca-Cola in 2020. It consists of six facilities self-owned by CCBMH, two co-located facilities operated by Swire Coca-Cola, eight co-located facilities of other types, and one co-packer of CCBMH. The assessment excludes the co-packer of CCBMH and two co-located facilities operated by Swire Coca-Cola (i.e. CCBMH Nanjing and Luohe Branches). Swire Coca-Cola owns operational control of these two facilities, and therefore has defined their water risk as part of our reporting scope.
- Shanghai Ziquan and CCBMH Shanghai Branches are co-located with each other.
- CCBMH Jinan, Shijiazhuang and Beijing are contributing to 1.3% of finished products supplied from CCBMH in 2020.
- Whilst the bottling plant in Hong Kong SAR is located in a low to medium risk area, its water supply is mostly sourced from Dongjiang River which is located in a medium to high water risk area.

PROPORTION OF PRODUCTION VOLUME BY CO-PACKERS

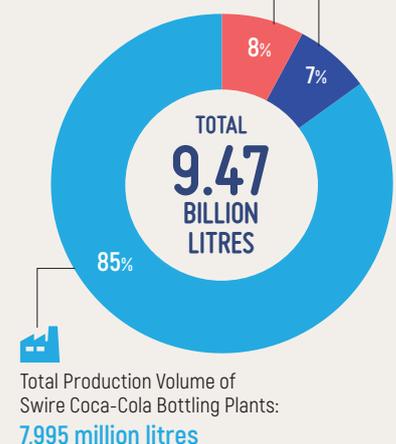
Market	No. of co-packers		No. of CCBMH ³		Swire Coca-Cola Production Volume*		Co-packer Production Volume*		CCBMH Production Volume*		Proportion of Production Volume by Co-packer**	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Chinese mainland	6	6	6	14	6,291	6,082	236.9	226.5	862.7	769.6	14.9%	14%
Hong Kong SAR	0	0	0	0	307	275	31.4 ¹	30.4 ¹	4.7	4.3	10.5%	11%
Taiwan Region	2	2	0	0	148	156	95	99.5	-	-	39.1%	39%
U.S.	0 ²	0 ²	0	0	1,476	1,482	339.6	340.9	-	-	18.7%	19%
TOTAL	8	8	6	14	8,222	7,995	702.9	697.3	867.4	773.9	16%	16%

* in million litres ** including CCBMH

Note:

- Swire Coca-Cola Hong Kong imports a portion of its products to be sold in the local market.
- A portion of products are produced as part of the National Product Supply Group. This figure assumes co-packers are responsible for 23% of our production volume in the U.S.
- Including all CCBMH manufacturing facilities that produced products for Swire Coca-Cola except for CCBMH Nanjing and Luohe branches. Swire Coca-Cola owns operational control of these two facilities, and therefore has defined their production and consumption data as part of our reporting scope.

 Total Production Volume of Co-packers: **697.3 million litres**
 Total Production Volume of CCBMH: **773.9 million litres**



WHAT WE'RE DOING

Our approach to water stewardship involves reducing our demand for freshwater, using recycled water in the manufacturing processes where possible, and replenishing water sources through community and watershed management projects with TCCC. The first step is to assess potential risks and vulnerabilities in order to strategically develop our plans and allocate resources for the right mitigation measures.

WHITEPAPER ON SVA AND WMP

In addition to the work we do each year on WUR management, water replenishment (led by TCCC) and management of our wastewater discharges, in 2020 we compiled a comprehensive internal whitepaper reviewing our Source Vulnerability Assessments (SVA) and Water Management Plan (WMP, previously known as Source Water Protection Plans [SWPP]) across our four markets. We conducted

these assessments to understand our exposure to local water stress and drive best practices from the four markets. Every bottling plant is required to complete a site-specific evaluation of water risks using TCCC's SVA and WMP methodology and geospatial water risk data from the World Resource Institute (WRI) to identify current and future water risks.

PRIMARY OBJECTIVES	
	1 To check compliance of our SVAs and WMPs to the current Coca-Cola Operating Requirements (KORE) – including the new 2020 ordinance (KORE ES-RQ-235).
	2 To comprehensively evaluate and monitor the water-related risks in our operations at the water basin and facility level – as well as the social issues related to where we source water.
	3 Through a benchmarking exercise, to identify best-in-class examples with third-party verification in the assessment process – and to propose these as a template for SCC's SVA and WMP.
	4 To recommend which bottling plants should revisit their SVAs and WMPs ahead of the five-year limit and, to clarify the overall verification timeline per bottling plant by 2025.

FINDINGS	
	1 14 out of our 27 manufacturing facilities (52%) including the preform manufacturing plant sit in the medium to high or high level of overall water risk – reinforcing how important water stewardship is for us.
	2 The internal benchmarking exercise revealed a stark contrast in quality of SVA and WMP between those prepared by third-party consultants and the bottlers themselves. It covers the adequacy of water risk identification, objectivity of risks evaluated, governance structure of water risk management, implementation management of WMP, documentation and assessment updates. We observed a significant gap in the technical requirements, making modelling tools, databases, professional knowledge and judgment essential to higher quality assessments.
	3 There is a growing need to seek professional advice as the recent enhancement of KORE ES-RQ-235 has raised the technical criteria relating to the assessment requirements, development of water risk heat maps and evaluation of water, sanitation and hygiene infrastructure challenges within the water basins.
	4 Under the new 2020 KORE, the performance gaps identified will only be further extenuated as time goes by.
	5 There has been little centralised oversight on the SVA and WMP process – both in terms of quality and commonality across the markets.

Five-year plan and recommendations:

A five-year plan has been drawn up to commission third-party consultants to revamp (i.e. to reassess water risk) or update (i.e. to update and provide additional information based on past assessment) the respective SVAs and WMPs of all of our plants as necessary.

Based on previous experience, as plants located in the same province can share similar water sources and risk factors, they can be bundled into one assessment. This will ensure we achieve our target of 100% third-party verified SVA and WMP by 2025.

When rolling out the plan, we will take into consideration the following recommendations from our whitepaper:

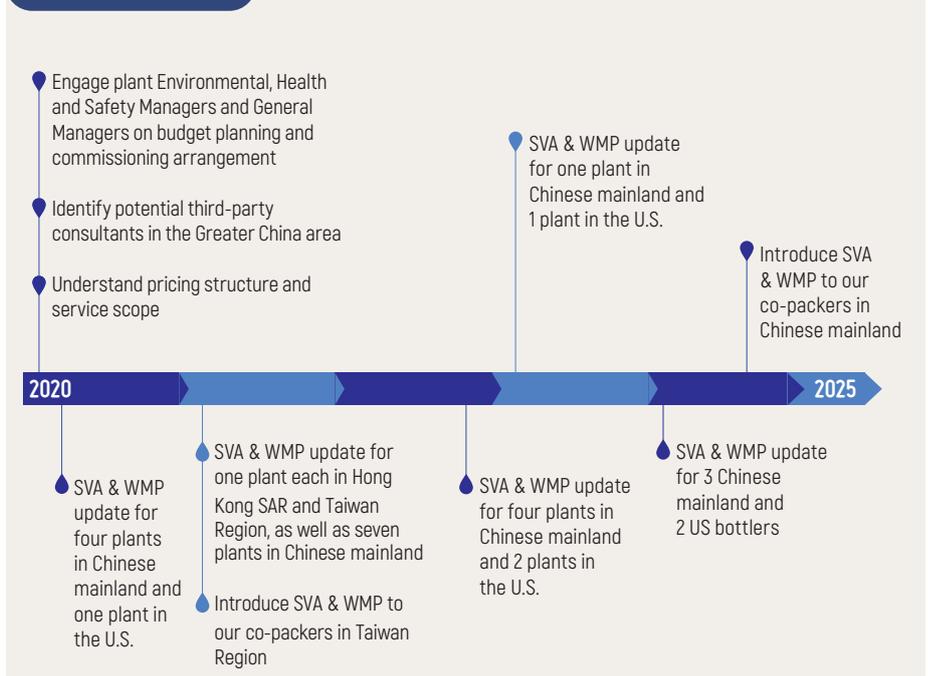
- External validation party**
 Initial assessments should be prepared by an external validated party. Whenever possible, this also applies to subsequent assessments.
- Certification of water resources experts' credentials**
 All initial and subsequent SVAs should include the name and validated certification of the water resources experts' credentials.
- Governance and oversight of review**
 General Managers should oversee the SVA and WMP updates.
- Frequency and content of review**
 The minimum update frequency of five years and conditions stipulated in KORE ES-RQ-235 requiring more frequent update should be strictly followed. The latest KORE ES-RQ-235 suggests plants to reassess their water risks when there is major change to its operation, especially for those located in a water stress area. For plants that are located outside the water stress area, we suggest addressing the major water use changes in the SVA and WMP review.

- Standardised risk matrix**
 Leveraging the roll out of the TCCC's Facility Water Vulnerability Assessment (FAWVA) in 2020, 20 water risk factors under six risk categories will be rated through a standardised matrix based on SVA, data from the Aqueduct World Resource Institute and survey

questions. This will allow us to understand and prioritise water risks at bottler, business unit and plant level, and ultimately enable informed decisions to be made.

- Policy**
 Swire Coca-Cola establishes its new SVA & WMP Policy.

FIVE YEAR PLAN



WATER REPLENISHMENT

Provo River Flow Restoration Project – Utah



© Trout Unlimited

The Provo River flows nearly 70 miles from its origin in the Uinta Mountains in northeast Utah to its terminus at Utah Lake. Low flows can stress fish and other aquatic species. It also poses problems for fish passage and results in reduced access to and available habitat for fish. In partnership with the Bonneville Environmental Foundation along with Coca-Cola North America's project donation, the proposed project will establish a water management agreement to reduce water withdrawals from the Provo River and increase flows during summer periods. We have donated US\$25,000 to fund a Utah-based water replenishment project. This project will replenish 256 million litres of water per year to the Provo River.

PERFORMANCE

Water Use Ratio

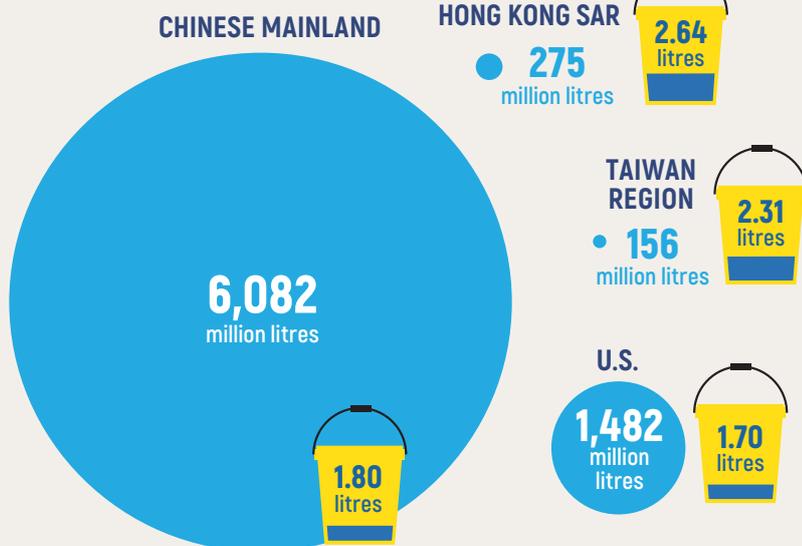
Due to the COVID-19 pandemic, large production volume swings, unusual run rates, more switchovers and unexpected changes in primary packagings occurred across all of our markets. Our operational focus was on managing the production and supply chain to meet and satisfy the changing requirements of our sales channels.

WATER USE RATIO AND PRODUCTION VOLUME OVER 10 YEARS

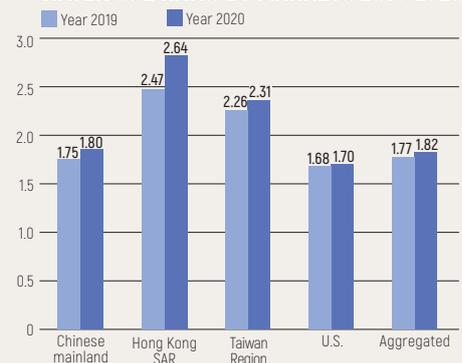


WATER USE RATIO BY MARKET

● Production Volume 🪣 Water use ratio (Litres of water used to produce 1 litre of beverage)



WATER USE RATIO BY MARKETS 2019-2020



SYSTEM WATER USE RATIO IN 2020

Bottling Partners	WUR
Swire Coca-Cola	1.82
Coca-Cola FEMSA	1.49
Coca-Cola European Partners	1.57
Coca-Cola Hellenic Bottling Company	1.82
The Coca-Cola System	1.84

Water Replenishment

170% achieved in 2020, which is coordinated through TCCC.

Co-Packers Water Use

Our journey on establishing a new governance mechanism for co-packers to report and communicate improvement on WURs has been delayed as our focus was shifted to managing operations during the pandemic.

Wastewater Discharge

Full compliance over 2020.

CDP Water Security Questionnaire



We voluntarily participated in the CDP Water Security 2020 questionnaire for the first time and were recognised with an 'A' score

for global water stewardship, placing us in the leadership range, and becoming the first company in the greater China region

to achieve this score. More importantly, through our participation in CDP's Water Security questionnaire we are able to receive external validation of our performance.

CDP Water Security 2020 Questionnaire Rating

Swire Coca-Cola	A
Coca-Cola European Partners	A
Coca-Cola Hellenic Bottling Company	A
TCCC	A-
Coca-Cola Amatil	B
Coca-Cola İçecek	B
Coca-Cola FEMSA	B

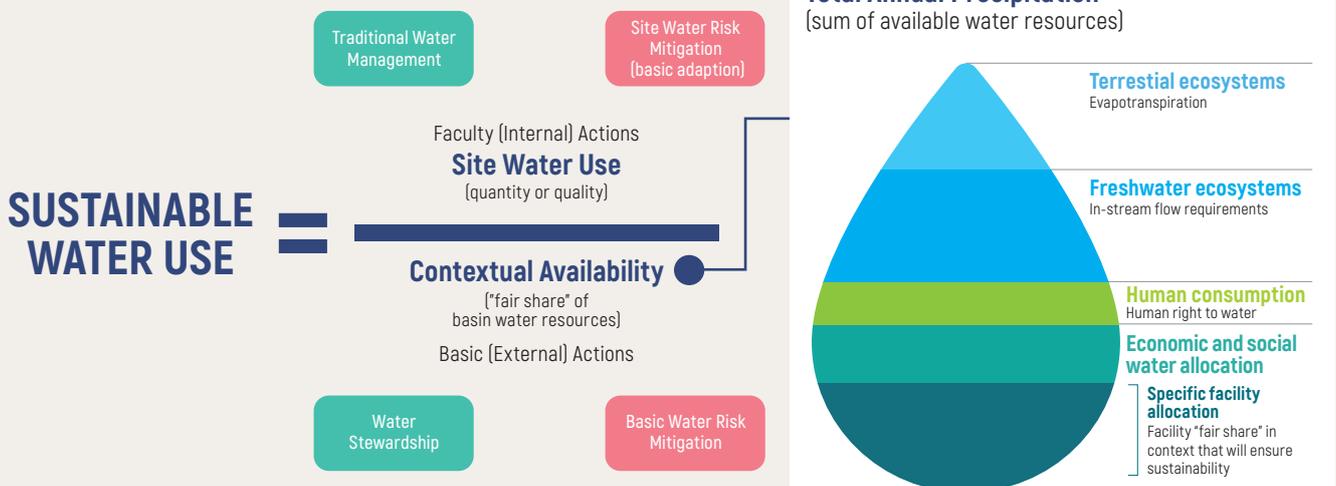
LOOKING FORWARD

As our aggregated WUR continues to increase, we will continue our efforts to conserve water, one of the most valuable natural resources in the world. There are five clear items on the agenda to continuously push forward our commitment to water stewardship:

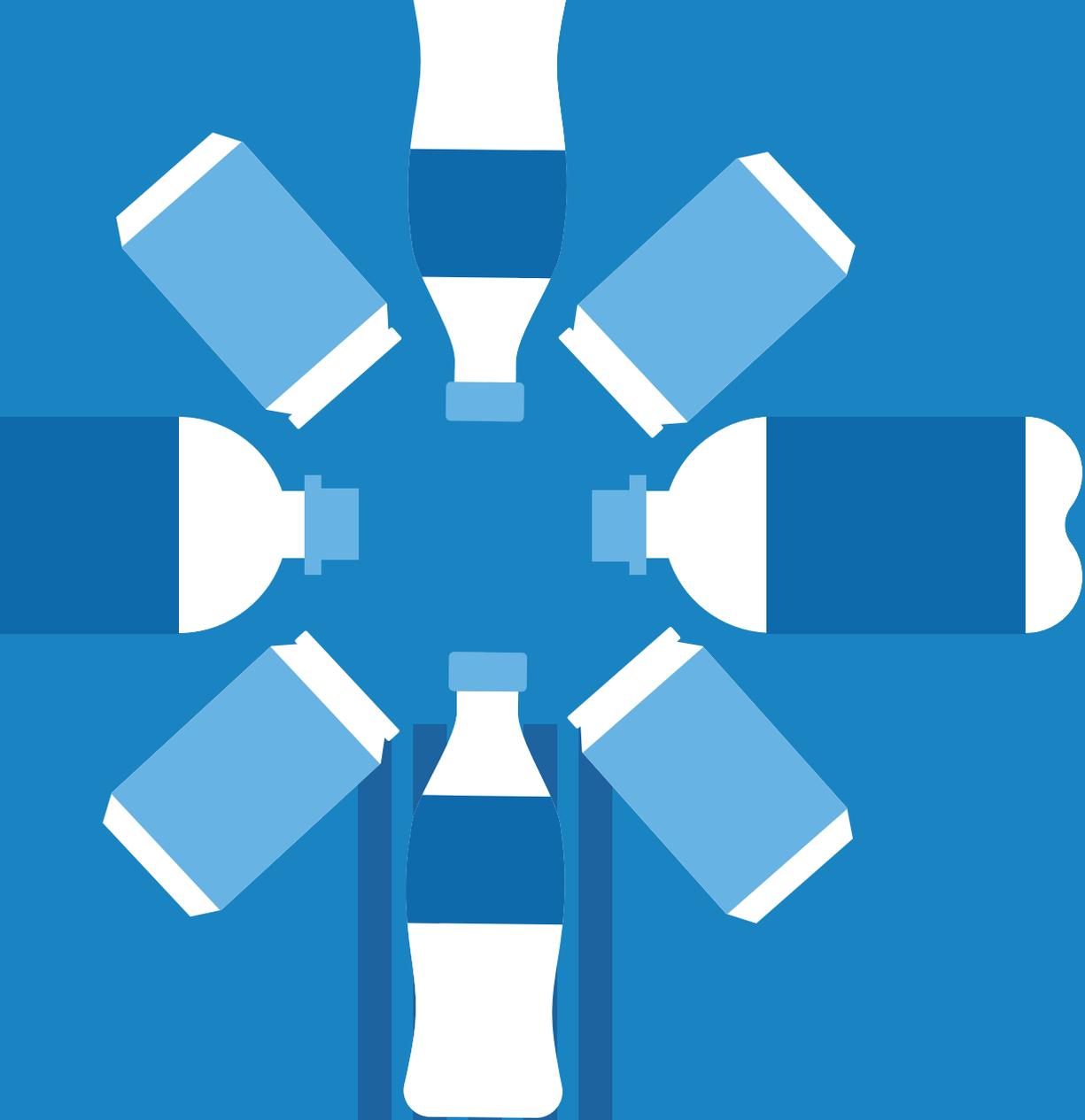
- 1. Independent verification on the five-year SVA and WMP**
 With completed preparation work and the first batch of reviews, including five plants located in Shanghai, Yunnan, Jiangxi and Fujian. Next, we schedule to progressively revamp and update the SVA and WMP at all plants. Through our efforts to achieve the SVA and WMP target, we aim to influence our co-packers by sharing our practices.
- 2. Engagement with our co-packers**
 To reduce our overall water footprint, including that which is not under our direct control, we will introduce a new governance mechanism to improve the water efficiency of our co-packers, starting with CCBMH.
- 3. Voluntary reporting on the CDP Water Security Questionnaire**
 We will continue to participate in the Water Security Questionnaire, as an external validation of our commitment to drive water stewardship.
- 4. Technical study on investment**
 To meet our 2025 and 2035 WUR targets, we will conduct a technical study on what investment is needed to drive this improvement, as the incremental efficiency improvements are expected to be insufficient for meeting our WUR targets.
- 5. Development of context-based water targets**
 In view of the contextual difference in terms of water availability, vulnerability and quality where we operate, we will strategise our approach depending on the local condition and our plants' performance. Context-based water targets¹ give a specific time-bound objective to set the desired outcome in relation to the company's water performance and the basin's conditions. Working with TCCC, we plan to introduce context-based water targets as part of the KORE requirements.

DEFINITION OF SUSTAINABLE WATER USE

adapted from Mark McElroy, 2016



1. Pacific Institute (2017). Exploring the case for corporate context-based water targets.



PACKAGING AND WASTE



OVERVIEW

OBJECTIVE

We endeavour to design our packaging for its complete lifecycle. We aim to support and facilitate Extended Producer Responsibility (EPR) schemes which drive high collection and recycling rates with minimal contamination. We aim to support the recycling of our packaging materials into the highest value recyclable materials possible.

We endeavour to reduce the amount of waste we produce, and to make sure that none of our waste goes to incineration or landfill.

RELEVANT SUSTAINABILITY TOPICS



WASTE



PACKAGING

PACKAGING AND WASTE STEWARDSHIP – WHY IT MATTERS

As a leading bottler within The Coca-Cola System, packaging is critical to us. The lightness, flexibility, tensile strength and barrier properties of our packaging are all critical factors in delivering beverages in a safe and efficient manner to our consumers – and as part of a global brand, managing packaging is critical to our reputation. In the [2019 Sustainable Development Report](#), we made extensive disclosure around Packaging – both why it matters and why it is considered a complex issue in the design, collection, recovery and recycling network.

To deal with single-use packaging, many things need to come together, starting with the design. On one hand, the packaging must be designed to be 100% recyclable (technically, economically and practically). On the other, the packaging must be designed such that, when recycled, the recycled matter can ideally be re-manufactured into the same product. Additionally, the packaging requires clear labelling on its material composition plus having clear disposal instructions in order to drive higher collection and recycling rates.

To put post-consumer packaging back into the system, having a formalised collection and recovery system in place drives collections rates, with low contamination meaning collection needs to happen post-consumption as soon as possible. The post-consumer package usually needs a value over and above its intrinsic value to drive behaviour to facilitate package recovery. Lastly, the system needs trust, which acts as a self-reinforcing driver of behaviour. People need to understand the chain of custody of this material – and for that they need timely and transparent data reporting, ideally verified by a third-party. Out of the four categories of packaging – primary packaging, PET, remains the most contentious due to its long decomposition rates and dire consequences to aquatic life if it leaks into the world's water systems.



RELEVANT SDGS





The UNSDG 12 places responsible production and consumption central to sustainable development, and calls on organisations to use natural resources efficiently, implement environmentally sound waste management, and prevent and reduce waste through reuse and recycling. Over the last ten years, the world has started to realise that in a linear economy, throwing stuff away is no longer sensible. As topics like water, climate and packaging and waste start to be expanded, linkage is becoming clear. In applying circular economy strategies, emissions can be cut in the production of goods by half to 9.3 million tonnes of CO₂e in 2050². For us, this could not be more salient than moving to >70% rAL and to >50% rPET – married to high collection rates leading to recycling.

Furthermore, statistics show that in 2017, 3% of all GHG emissions came from waste

decomposition (mainly from mismanaged systems and from landfills) making waste the fourth largest sector of emissions³.

testimony that we as a responsible business, are proactively driving strategies to tackle both Packaging & Waste.

Our clear 2025 and 2030 targets are

STRATEGY

In line with the [Ellen MacArthur Foundation's New Plastics Economy Global Commitment \(NPEGC\)](#) and TCCC's World Without Waste (WWW) goals, we aim to:

PACKAGING

1 Reduce

the amount of single-use packaging through lightweighting, reducing the size of labels and package-free delivery models, such as refill stations

2 Redesign

packaging to ensure that it (a) is technically recyclable and (b) fits into local collection and recovery systems

3 Recover

packaging materials through clear labelling with local disposal instructions

4 Recycle

packaging materials into the highest value end-products as possible

5 Partner

with diverse stakeholders (government, industry, public, waste management companies and NGOs) to make the transition from a linear to circular model

6 Transparent reporting

WASTE

1 Categorise

4 Recover

2 Measure

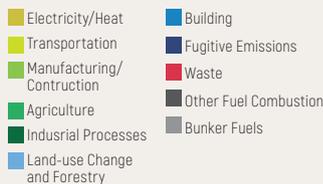
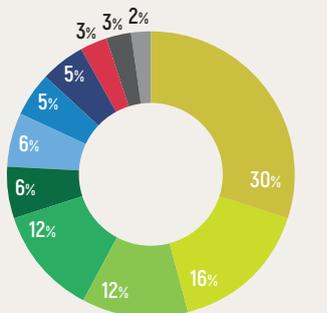
5 Divert from landfill and incineration

3 Reduce

6 Transparent reporting

GLOBAL GHG EMISSIONS PER SECTOR 2017

Source: WRI, CAIT



1. Ellen MacArthur Foundation (2019), Completing the Picture: How the Circular Economy Tackles Climate Change. www.ellenmacarthurfoundation.org/publications
 2. Eurostat (2020), Greenhouse gas emissions from waste. <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20200123-1>



OUR COMMITMENTS AND PROGRESS

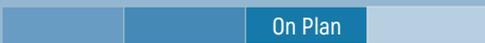
PRIMARY PACKAGING

TARGET

By 2025, our primary packaging will be 100% recyclable.



PROGRESS



TARGET

By 2030, our primary packaging will contain 50% recycled material.



PROGRESS



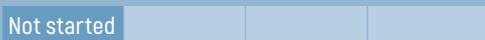
SECONDARY AND TERTIARY PACKAGING

TARGET

By 2030, we will collect and make sure all secondary and tertiary packaging is 100% technically recyclable and collected.



PROGRESS



PROMOTE COLLECTION AND RECYCLING

TARGET

By 2030, we will collect and recycle one bottle or can for every one we sell.



PROGRESS



ZERO WASTE TO LANDFILL FROM CORE OPERATIONS



TARGET

By 2025, achieve zero waste to landfill and incineration from core operations and verified by third-party.



PROGRESS



TARGET

By 2030, achieve zero waste to landfill from co-packers and verified by third-party.



PROGRESS





OUR PACKAGING AND WASTE FOOTPRINT

PACKAGING

We firmly believe in transparently reporting our packaging footprint. We track and review our progress to demonstrate how our packaging material is changing over time. For a clear definition of packaging categories, please refer to p.63 of our [2019 Sustainable Development Report](#).

As we explore ways to bridge the gap in collection and recovery, we study the recyclability, recycled content, availability

of local recycling infrastructures and handling of our primary packaging used across all four markets to identify areas for improvement. We also disclose in-depth information to capture the progress and any material changes over the years. For more details regarding primary packaging types used in each market, please **click** here:

SCCL Primary Packaging Progress Report 2020

WASTE

We need careful measurement, source separation and access to the right recyclers and processors to maximise opportunities for waste reuse. We classify our waste into six categories:

1 **Recycling**

EXAMPLES: Paper and cartons, glass, caps, plastic, metal, aluminium, PET, wood and pallets

2 **Organic waste**

EXAMPLES: Sludge, tea residue and food scraps

3 **Hazardous waste**

EXAMPLES: Liquid and solid waste

4 **End-of-life equipment**

EXAMPLES: Vending machines, coolers and fountains beyond economic repair

5 **Vehicles**

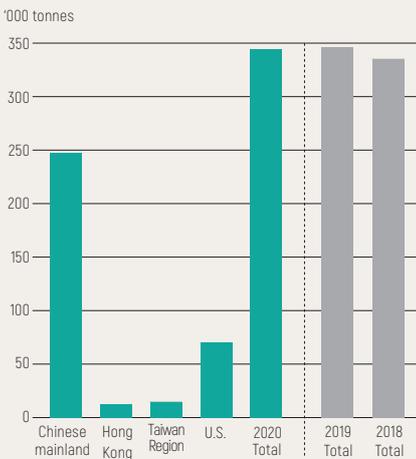
EXAMPLES: Vehicles beyond economic repair

6 **Clothing**

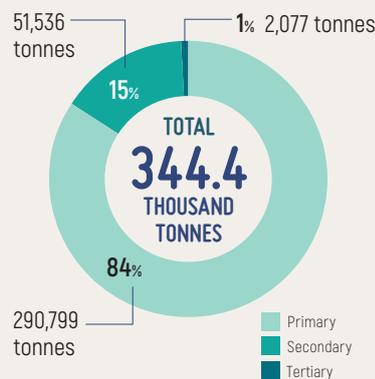
EXAMPLE: Uniforms

PACKAGING BY MARKET, TYPE AND WEIGHT

TOTAL PACKAGING BY MARKET 2020

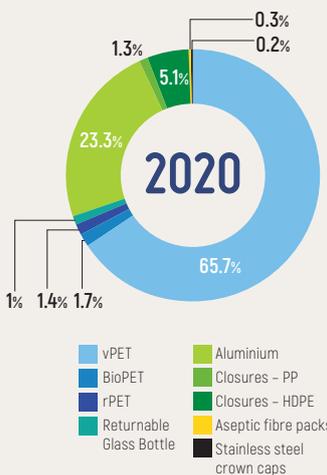
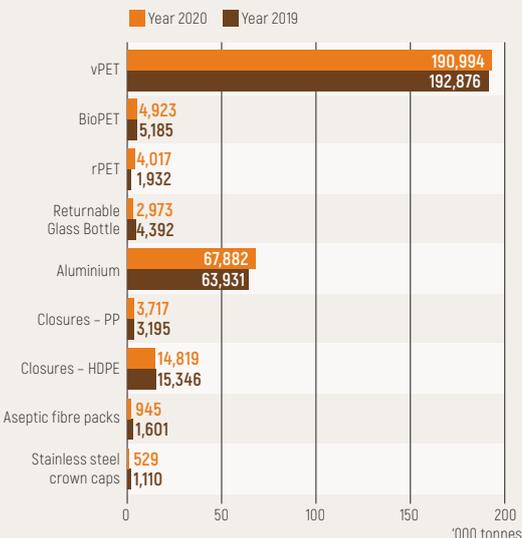


WEIGHT OF PACKAGING PRODUCED BY CATEGORY 2020



Note: 10% of primary packaging contains >50% recycled content - this refers to rAL in the U.S. and rPET in Hong Kong SAR.

MATERIALS USED FOR PRIMARY PACKAGING AND BREAKDOWN BY TYPE AND WEIGHT





WHAT WE'RE DOING

PACKAGING

Focus	Our Approach	Progress and Highlights
REDUCE 	Lightweighting reduces the amount of materials used and improves production efficiency.	The Hong Kong, Taiwan and U.S. markets saw a reversed trend in water in that more single-use PET bottles were used, compared with the previous shift to dispensing due to the COVID-19 pandemic. We continue to study the application of lightweighting to reduce the use of plastic and aluminium in primary packagings.
REDESIGN 	Our goal is to make 100% of our primary packaging technically recyclable by 2025. 	Eradication of Aquarius powder in aluminium pouches by the end of 2021, a non-recyclable type of packaging. Transition of Sprite and Schweppes bottles to colourless, reducing the proportion of coloured plastic in PET bales and helping to increase the intrinsic value of this waste stream. In Hong Kong SAR, the installation and commissioning of a new aseptic line for transitioning to colourless Schweppes bottles was delayed due to the COVID-19 pandemic. 25% rPET in the 600ml or less sparkling drinks in Hong Kong will be achieved by April 2021. Areas which remain work in progress are around getting our aseptic fibre packs and bag-in-box to a 100% technically recyclable standard.
RECOVER & RECYCLE 	TCCC's 2030 World Without Waste commitment is to collect and recycle every bottle or can we sell. It remains a challenge to monitor and control our packaging post-consumption. We hope to increase packaging collection and recovery rates in our markets by giving consumers the information they need to correctly separate and dispose of our packaging. 	New Life Plastic (NLP) in Hong Kong SAR NLP will be the first food-grade ready PET recycling facility in Hong Kong. Construction and equipment installation and calibration has delayed the start of operations to end of 2021. Reverse Vending Machines (RVM) in Hong Kong SAR A total of 12 RVM were deployed at prime locations across Hong Kong. From June 2020, we started to offer incentives of HK\$0.1 cash rebate via Octopus card and HK\$0.1 donation.
COLLABORATION 	We have collaborated with key stakeholders and participated in local and international dialogue to transform the system from an international and local standpoint. Drink Without Waste (DWW) initiative in Hong Kong SAR <ul style="list-style-type: none"> A coalition of concerned stakeholders including major beverages producers and bottlers, waste management enterprises and NGOs who want to reduce waste generated from beverage consumption. DWW has an objective to reduce single-use beverage packaging and to recover 70% to 90% used beverage packaging by 2025. New Plastics Economy Global Commitment (NPEC) by the Ellen MacArthur Foundation <ul style="list-style-type: none"> As a signatory of the NPEC, we share a common vision of circular economy for plastic that also echoes our 2030 target to achieve zero waste to landfill. We are working with local governments and are part of multi-stakeholders initiatives (including Ellen MacArthur Foundation's NPEC, TCCC's WWW goals and local initiatives such as DWW) to transition to a circular system that minimises waste generation and associated carbon emissions.	The Hong Kong Public Opinion Research Institute (PORI) conducted a survey on the public attitudes and behaviours of plastic bottle recycling, which serves as a reference point for us to rethink ways of encouraging return behaviour. The survey suggests that enhancing convenience to return bottles, incentivising financial rewards (even if they are small) and building trust in the recycling system are key to drive behaviour change. DWW released a paper to the Government - Blueprint: A Statutory Value-on-Return Scheme for Hong Kong's Beverage Containers. The paper proposes a policy, governance and infrastructure model, with an aim to increase the effectiveness and efficiency of the collection system in Hong Kong SAR. The current post-consumer PET collection rate in Hong Kong SAR is 0.2% according to the EPD's waste statistics for 2019 .



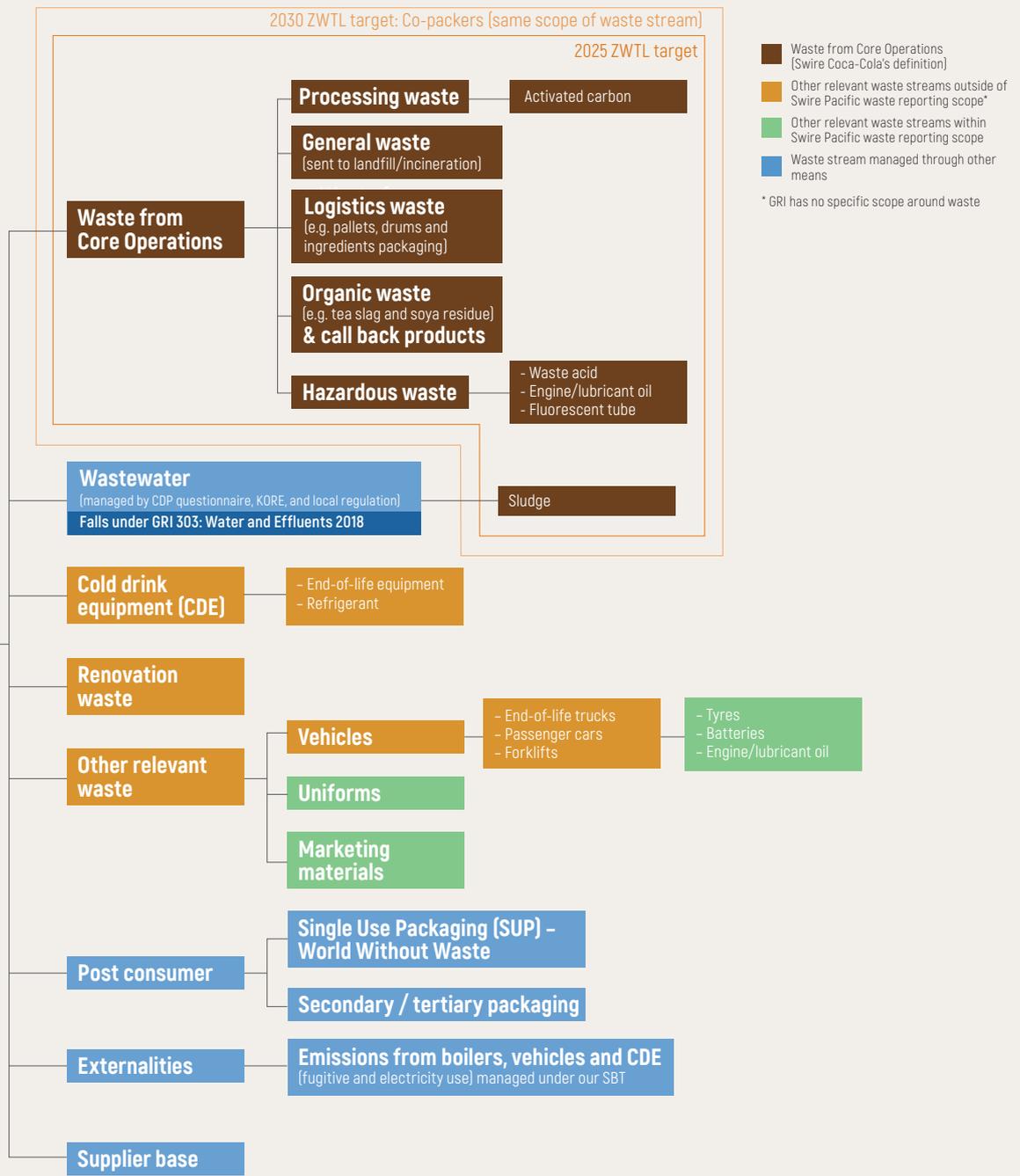
WASTE

We are in the process of implementing a comprehensive review of our waste streams. This review will address all waste which is generated from our core operations. It does not include waste generated from finished goods or from

staff. When we set our target of zero waste to landfill and incineration from core operations verified by a third-party by 2025, it drove us deeper into defining what the respective waste streams were, from which channel they originate, how

respective third-party waste validation experts look at diversion from landfill and international standards. With these processes in place, we plan to share our footprint and performance in future reports.

HOLISTIC VIEW OF OUR WASTE FOOTPRINT



Excluded from the scope: **Construction & demolition**



PERFORMANCE

We focus on the two key primary packaging materials – Plastic and Aluminium – to progressively increase the respective recycled content and collection and recycling rates. For details regarding the consumption of other types of packaging materials, please refer to the performance table on p.71. As for the recycled content and collection rate of other types of packaging materials, please refer to our [Primary Packaging Progress Report 2020](#).

TECHNICALLY RECYCLABLE

Bottle	Closure	Label
PET	HDPE	PP

WWW 2025

Under the WWW goal, these components and materials need to be technically recyclable by 2025.

WASTE

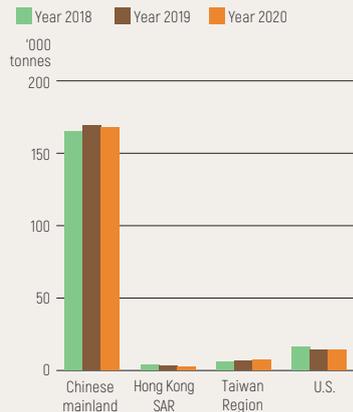
We completed a waste mapping exercise in the U.S. in 2019 and disclosed the proportion of different types of waste from manufacturing. As we continue to map our waste stream, we plan to present a clearer picture of our footprint and disclose relevant figures in future reports.

PACKAGING

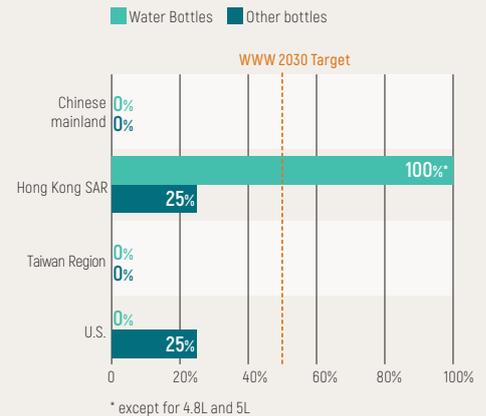
2020 SNAPSHOT

PLASTIC

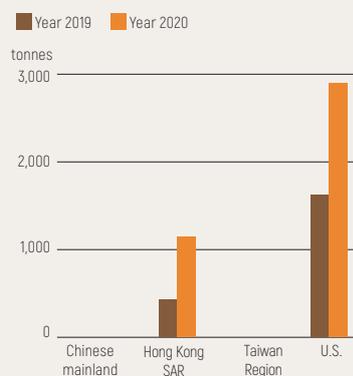
vPET RESIN CONSUMPTION BY MARKET



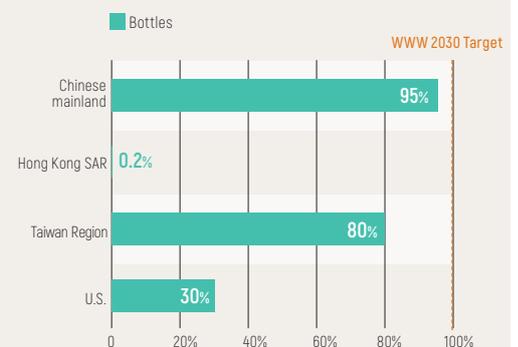
rPET CONTENT BY MARKET



rPET RESIN CONSUMPTION BY MARKET

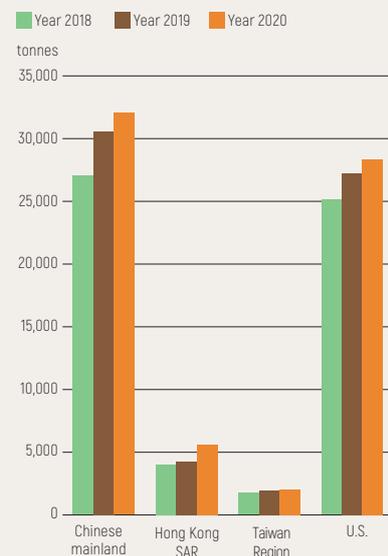


PET COLLECTION RATE BY MARKET

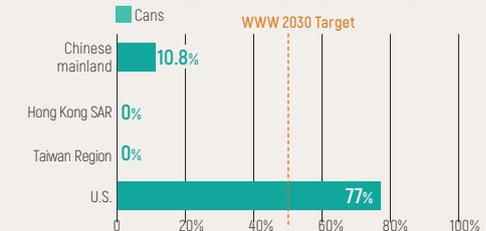


ALUMINIUM

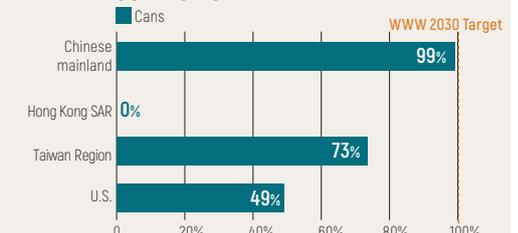
CONSUMPTION BY MARKET



RECYCLED CONTENT BY MARKET



COLLECTION RATE BY MARKET





LOOKING FORWARD

The WWW commitments remain the key 2025 and 2030 targets to drive our primary packaging strategy. We foresee that there are substantial issues around what we need to do moving forwards especially when it comes to verification of collection and recycling rates. On waste, we see the transition to zero landfill and incineration as a priority. The following are the challenging areas which we will focus on addressing:

- 1. Exploring what to do with primary packaging that is not technically recyclable** – namely aseptic fibre packs, bag-in box and the ancillary items such as straws, plastic lids, single-use cups.
- 2. Building trust in recycling by externally and systemically validating the collection and recovery rates of primary packaging.** Ideally, this would not be a company-based system – more a global data repository – with data on a granular local level, all independently verified, on a lag time of no more than six months. This also allows for a more structured approach to recycling, where the recyclers could trade openly in the market for feedstocks and to match suitable investment.
- 3. Developing a strategy to cover secondary, tertiary and the other packaging types,** both making sure these are 100% technically recyclable as well as collected and recovered for recycling.
- 4. Finding a way to successfully transition out of single-use packaging,** specifically primary packaging, to materials which maintain the safety, financial and practical aspects of delivering beverages to our consumers and customers, while also improving water use and carbon emissions through this delivery system.

Our commitments and targets on packaging and waste may be ambitious, but to retain relevance, credibility, cease the use of landfills, stop leakage of plastics

into the environment, drive brand value and meet the climate and waste goals set out in WWW, it is essential we do this by 2030. We hold a strong belief that these cannot be achieved alone – but will require industry, NGO and government collaboration at a minimum, as well as investment. With this in mind, we plan to explore such opportunities by each market.

In the Chinese mainland we hope that clearer processes around being able to incorporate recycled matter within food grade primary packaging will be set out, as this will effectively allow us to meet the recycled content goals by 2025. It will also allow us to further engage with the current recyclers and resin producers within the Chinese mainland so as to drive the collected and recovered PET into this more circular system. In the U.S., it would be encouraging to see Extended Producer Responsibility (EPR) and Deposit Return Schemes (DRS) come to fruition, which will be the catalyst to solid investment by the recycling industry into mechanical PET recycling and driving up volumes of rPET.

For waste, we will draft a whitepaper in 2021 to align the scope and definitions of waste generation from the core operations of our business, and set up the holistic operational parameters to measure, record and manage these respective waste streams, including scopes beyond our commitments and targets. We also intend to set up clear policies and processes for our business to go about delivering on the above. Lastly, we will appoint a third-party to validate waste from our core operations and report progress annually.

PRODUCT CHOICE





OVERVIEW

OBJECTIVE

We aim to become a total beverage company, giving people around the world more of the drinks they want in the manner they want them.



RELEVANT SUSTAINABILITY TOPICS



FOOD SAFETY AND PRODUCT QUALITY



SUGAR REDUCTION



PRODUCT LABELLING AND MARKETING



NUTRITION

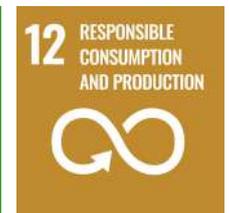
OVERVIEW - WHY IT MATTERS

People's tastes and preferences are changing. Consumers are becoming increasingly conscious about the nutritional content of the foods and beverages they consume. The World Health Organisation (WHO) also recommends that individuals should not consume more than 10% of daily caloric intake from added sugars.

Echoing TCCC's strategy, we are evolving our business strategy to become a total beverage company. We satisfy consumers' desires for more choices across categories. To help people meet the sugar intake recommendation of WHO, we are committed to providing consumers with a

wider variety of beverages, including low- and no-sugar drinks. We continue adjusting our recipes to reduce added sugar, promoting low- and no-calorie beverage options, and making smaller packages more available to support portion control.

RELEVANT SDGS



STRATEGY

We aim to:

1
Provide a greater variety of drinks, with more low- and no-sugar options

2
Adjust formulation to gradually reduce sugar

3
Offer smaller, more convenient serving sizes to make controlling sugar intake easier

4
Promote our low- and no- sugar drinks to make them more visible and easier to find

7
Provide factual and easy-to-understand nutritional information for consumers to make informed dietary choices

8
No advertising to children under 12, in line with TCCC's Responsible Marketing Policy

9
Ensure food safety and quality of our products so that consumers feel confident each time they consume



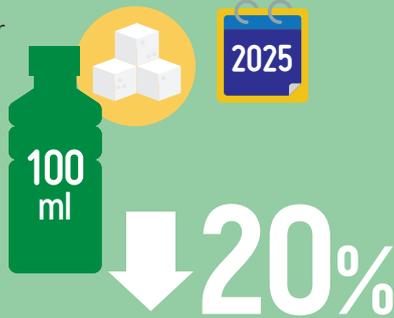


OUR COMMITMENTS AND PROGRESS

REDUCE SUGAR CONTENT

TARGET

Reduce average sugar content in 100mL of beverages by 20% by 2025.



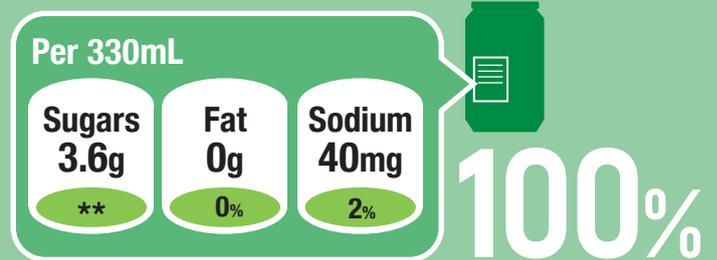
PROGRESS



CLEAR LABELLING

TARGET

Front-of-pack nutrient labelling on products (except RB).



PROGRESS



NO ADVERTISING TO CHILDREN

TARGET

No advertising to children aged below 12.

100%



PROGRESS



FOOD SAFETY

TARGET

Plant operations to obtain Food Safety Certification FSSC22000.

100%



PROGRESS

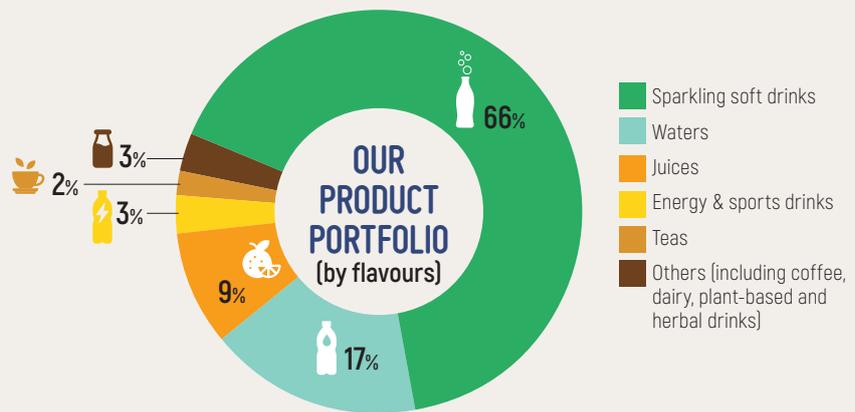




WHAT WE'RE DOING

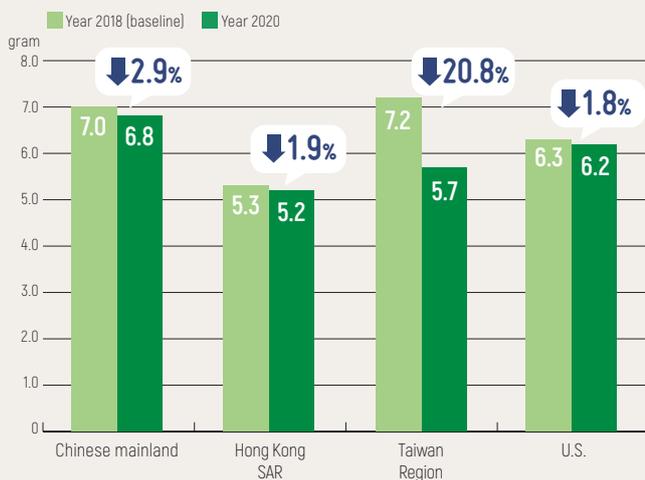
OUR PRODUCT PORTFOLIO

We have a diversified portfolio of drinks to satisfy different consumer tastes in different markets. In 2020, we manufactured and distributed 60 beverage brands across four markets ranging from sparkling soft drinks, juices, teas, energy & sports drinks, coffees, waters and other products (including, dairy, plant-based and herbal drinks).

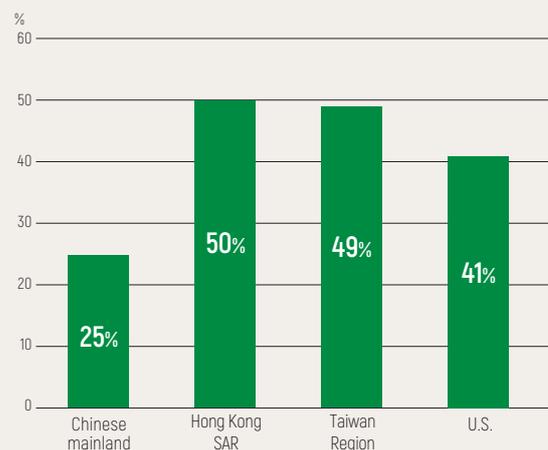


MARKETS	NUMBER OF NEW PRODUCTS	NO. OF REFORMULATED BEVERAGES WITH REDUCED SUGAR CONTENT	NO. OF LOW- AND NO-SUGAR BEVERAGES (by flavours)
CHINESE MAINLAND	24	4	59
HONG KONG SAR	26	4	49
TAIWAN REGION	6	4	49
U.S.	90	0	279

AVERAGE SUGAR CONTENT IN BEVERAGE (in 100ml of beverages)



% OF LOW- AND NO-SUGAR BEVERAGES (by sales volume)





Focus	Our Approach	Progress and Highlights
<ul style="list-style-type: none"> • LOW- AND NO- SUGAR • PORTFOLIO EXPANSION 	<p>We are introducing diet, light and zero-calorie drinks in our portfolio. We are also reformulating our recipes and finding alternatives to reduce sugar without compromising the quality of our drinks.</p>	<p>We continue to expand the provision of products with low- and no-sugar. On top of introducing new low- and no-sugar products and reformulating products to reduce sugar contents, we are also strengthening our promotion on low- and no-sugar drinks to make them more visible and accessible for consumers.</p> <hr/> <p>Chinese mainland Coca-Cola Zero Sugar has become a popular alternative to our original formula. The sales volume of Coca-Cola Zero Sugar grew by 60% in Chinese mainland compared to 2019.</p> <p>We deployed a new low-sugar product fermented 100% apple juice – The Minute Maid Apple Sparkling Cider Vinegar, marking our first attempt in this category, to offer a cider vinegar beverage to the Chinese mainland market.</p>  <hr/> <p>Hong Kong SAR We are providing more zero-sugar options in the Coca-Cola brand for consumers. We launched two new products, namely Coca-Cola Caramel & Coffee and Coffee & Chocolate, providing a total of seven flavours of Coca-Cola products with zero sugar.</p> <p>Compared with 2019, the sales volume of low- and no-sugar products under the Coca-Cola brand (including Coca-Cola Zero, Coca-Cola Plus, etc) increased to approximately 25% of the overall sales volume of Coca-Cola across all flavours.</p>  <hr/> <p>Taiwan Region In the Taiwan market, over 65% of our beverage portfolio (by flavours) is low- or no-sugar, whereas the unsweetened tea products contribute to 26% of our overall sales volume.</p> <p>“Real Leaf” has been the best selling unsweetened tea brand in Taiwan since 2017, after only four years following its launch. Riding on the synergy, we introduced a new product line under the “Real Leaf” brand, bringing two new cold-brewed products with zero added sugar to the market.</p>  <hr/> <p>U.S. Among over 90 new products launched in the U.S. in 2020, around 65% of them are low- or no-sugar.</p> <p>A new brand of sparkling water, namely “AHA”, was brought into the market together with eight flavours of products at its launch. All AHA sparkling water contain zero sugar, sweeteners, calories and sodium, while some of them include a hint of caffeine, providing diverse options in the sugar-free and calorie-free product line.</p> 



PRODUCT CHOICE

OUR CHOICE
OUR FUTURE!

Focus	Our Approach	Progress and Highlights
CONVENIENT PACKAGING	We give our consumers greater control over their sugar consumption and caloric intake by offering different beverage sizes.	<p>Convenient packages of 250mL or less are available in all four markets.</p> <p>over 60% of our sparkling soft drink brands provide option of convenient packages.</p> <p>In Chinese mainland, the volume of sparkling products in mini cans has increased by over 100% compared with 2019.</p>  <p>Promotion of mini can products at supermarket</p>
CLEAR NUTRITIONAL INFORMATION	We enable our consumers to make informed decisions by providing factual, meaningful and clear nutrition information on our product labels.	<p>We display caloric and nutrition information on the front of our packaging.</p> <p>In the U.S. we also disclose the amount of caffeine alongside the calories per serving and calories per container.</p>
RESPONSIBLE MARKETING	In line with TCCC's Responsible Marketing Policy, we do not target our advertising to children under the age of 12. The policy applies to all our products, regardless of nutritional profile, as we honour the rights of parents and caregivers to make choices for their children.	<p>We complied with TCCC's Responsible Marketing Policy.</p> 
FOOD SAFETY AND PRODUCT QUALITY	Food safety and product quality are prioritised and embedded in every decision that we make. We cascade standards from TCCC's supplier management system to ensure our products meet all regulations in our markets and maintain a high level of food safety and quality from sourcing to delivery.	<p>We apply end-to-end quality and food safety standards and maintain a strong focus on quality and safety throughout our value chain. We work closely with suppliers of key primary ingredients and packaging materials to minimise quality risks in our supply chain and maintain stable and on-time delivery. We also conducted regular audits to assess the hygiene of suppliers' on-site conditions and delivery procedures to ensure compliance with our standards.</p> <p>With increasing concerns on product safety, we deliver relevant trainings to enhance the capabilities and responses of our staff to maintain high standards, especially in view of the COVID-19 pandemic. In addition to obtaining FSSC 22000 Food Safety Certification across our plants, we also leverage best-in-class industry benchmark to customise plans to support and further develop our quality and food safety culture.</p>

LOOKING FORWARD

Swire Coca-Cola will continue to expand our beverage portfolio by increasing the number of beverage options we manufacture, including more low- and no-sugar drinks. We will also incorporate new formulas to reduce the sugar in our beverages.

Promoting the low- and no-sugar products to consumers remains one of our top priorities and it has been incorporated into our business plans. We will continue to expand the low- and no-sugar categories including unsweetened tea and sparkling water, so as to accelerate the growth and increase the ratio of low- and no-sugar products in our overall sales volume.

SOURCING



OVERVIEW

OBJECTIVE

We will partner with our suppliers to deliver sustainable procurement practices.



RELEVANT SUSTAINABILITY TOPICS



RESPONSIBLE SOURCING



SUPPLIER SOCIAL ASSESSMENT



SUPPLIER ENVIRONMENTAL ASSESSMENT

Remark: As part of TCCC's supplier qualification requirements all suppliers need to demonstrate compliance with the relevant local environmental regulations.

OVERVIEW – WHY IT MATTERS

At Swire Coca-Cola, our sustainable procurement practices focus on strengthening the triple bottom line, which takes into consideration impacts on environmental, social and economic factors. We source high-quality and sustainable ingredients and materials from suppliers, in line with our sustainable development commitments. To procure in a sustainable way involves looking beyond short-term needs, competitiveness and considering the longer-term impacts of our purchasing decisions.

Our business depends on a complex and diversified global supply chain comprising over 7,000 suppliers. Responsible and sustainable sourcing serves as a way to mitigate potential risks in our supply chain. We strive to source ingredients, materials and equipment with lower environmental footprints and engage suppliers to reduce our indirect carbon emissions.

RELEVANT SDGS



SOURCING STRATEGY

We aim to:

1

Communicate and enforce

comprehensive sets of principles and codes established by TCCC and Swire Pacific

2

Promote sustainable farming with suppliers

by enabling farmers to achieve improvements in yield, efficiency, and positive environmental impacts, such as water savings and carbon reduction

3

Collaborate with our suppliers

to foster awareness and encourage actions that support the triple bottom line

OUR COMMITMENTS AND PROGRESS

SGP COMPLIANCE

TARGET

By 2020, we will ensure all direct materials and indirect materials suppliers, who bear the TCCC's trademark, comply with the Supplier Guiding Principles, as verified by a TCCC-appointed third-party.

PROGRESS



SUSTAINABLE INGREDIENTS

TARGET

By 2025, we will ensure key agricultural ingredients are sourced from third-party verified sustainable sources through continuous partnership with TCCC and suppliers.

REMARK

Our key agricultural ingredients are sugar, corn and high fructose corn syrup (HFCS).

In view of Chinese mainland's unique standards and regulations in relation to agriculture, this target will be challenging to achieve. We will continue encouraging and supporting our agricultural ingredient suppliers to align with TCCC's Sustainable Agricultural Guiding Principles.

PROGRESS



WHAT WE'RE DOING

SUPPLY CHAIN MANAGEMENT

We have processes and engagement channels established to ensure that our supply chain management reinforces our approach to sustainability across our diversified supplier base. In line with TCCC's Supplier Authorisation Process, we select and approve suppliers in adherence with TCCC specifications, compliance with

applicable requirements, codes and local laws and regulations, ensuring there is no supplier classified as high risk. To ensure that our suppliers are acting responsibly, the choices we make about what to buy and who to work with must reflect the values and standards of TCCC and Swire Pacific.



GUIDING PRINCIPLES AND CODES FOR SUPPLIERS	STRATEGY AND PROGRESS		FOCUS
TCCC'S SUPPLIER GUIDING PRINCIPLES (SGP)	When sourcing critical materials and ingredients for beverages, packaging and any items with TCCC's logo, bottlers must choose from a list of TCCC-approved suppliers that also adhere to SGP. All of our suppliers have complied with the SGP.	Compliance is verified by third-party audits organised by TCCC.  375 suppliers reviewed on the approved list	Responsible workplace practices Human rights Ethical conduct Compliance with local environmental and labour laws and regulations 
TCCC'S SUSTAINABLE AGRICULTURE GUIDING PRINCIPLES (SAGP)	Builds on the requirements of the SGP and seeks to include additional guidance on topics relevant to responsible farm management.		Water, energy and soil management Crop protection Selection and harvesting Safeguarding the rights of communities and traditional peoples to maintain access to land and natural resources
THE COCA-COLA OPERATING REQUIREMENTS (KORE)	Outlines relevant requirements and policies, specifications and programmes.	KORE is reviewed regularly to ensure standards are relevant and up to date.	Product safety and quality Occupational safety and health Environmental standards
SWIRE PACIFIC SUPPLIER CORPORATE SOCIAL RESPONSIBILITY (CSR) CODE OF CONDUCT	All suppliers must follow the Swire Pacific Supplier CSR Code of Conduct, and should provide clear, accurate and appropriate reporting of their progress towards achieving their own sustainable development objectives.		Legal and regulatory compliance Ethics Environment Health and safety Forced and child labour Compensation and working hours Discrimination and rights Subcontractors and other service providers Communication, documentation and inspection

Globally, we work with about 600 suppliers approved by TCCC. Major products goods and services we procure can be divided into two categories.

DIRECT

Follows TCCC's SGP

Ingredients

account for 18% of our overall emissions



Packaging materials



INDIRECT

Logistics (in-bound)

Transport for delivering raw materials to our bottling plants

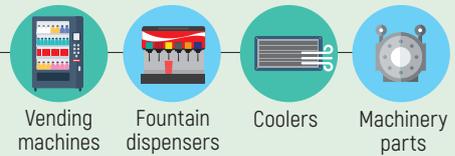


Marketing and sales material

- Any products TCCC branding
- Merchandising goods



Manufacturing and CDE



SUSTAINABLE PROCUREMENT

FOCUS	OUR APPROACH	PROGRESS AND HIGHLIGHTS
TRACKING SYSTEM	Our internal tracking system, established in 2020 and under experimental trials, estimates the environmental performance of packaging materials that we source. We gather information in relation to carbon emissions and recycled contents, reviewing them on an annual basis.	The tracking system estimates carbon emissions associated with indirect materials commodities. In 2020, we reviewed the procurement of PET, cans, glasses, shrink films and labels to track the associated emissions data.
VOLATILE ORGANIC COMPOUND (VOC) REDUCTION	Compared with traditional printing technology, Flexo Printing technology reduces approximately 75% of VOC emissions. To improve the working environment of our suppliers and in line with the latest VOCs mandatory national standards in Chinese mainland, we set out detailed requirements for label and printed film suppliers to invest in managing VOC emissions.	In 2020, 10% of our label and printed film suppliers adopted Flexo Printing technology. We plan to promote this technology in the supply chain whereas possible.
SUSTAINABLE PACKAGING	We will gradually reduce, redesign, recover and recycle our packaging materials.	We completed the feasibility study on taking used agricultural film and using it to produce low-density polyethylene (LDPE, type 4) shrink film, a type of secondary packaging.
		The feasibility study is now under the SGP approval process and we aim to commercialise the use of this recycled LDPE upon the approval by TCCC.
SUSTAINABLE INGREDIENTS	To support agricultural ingredient suppliers' third-party verification of SAGP, we engage and influence them by setting out requirements and providing trainings in relation to SAGP.	In spite of the increasing challenge to pass SAGP in Chinese mainland due to its social situation, standards and regulations, we continued working with suppliers to increase the coverage of third-party SAGP verification.
		The coverage of our supplier's corn field in Chinese mainland with third-party verified SAGP has increased by approximately 20% compared with 2019.

COLLABORATIONS

FOCUS	OUR APPROACH	PROGRESS AND HIGHLIGHTS
SUPPLIER COLLABORATION	We work closely with our suppliers to contribute to sustainable outcomes through actively communicating our sustainability commitments and progress to them.	<p>In 2020, we distributed our 2019 Sustainable Development Report together with a survey to more than 130 suppliers as a way to encourage their feedback on our performance and inspire them to take action.</p> <p>We plan to distribute this survey for each of our sustainable development report to reassess suppliers' awareness and perspective on a yearly basis.</p>
COLLABORATION WITH BOTTLERS AND THE INDUSTRY	We collaborate with other bottlers and the local government to drive recycling in Chinese mainland. We continuously support the China Beverage Industry Association's (CBIA)'s research on post consumed bottles (PCB). We also formed the China Bottlers Procurement Consortium (CBPC) to pool resources and knowledge between bottlers to better manage the procurement process.	<p>We sponsored the market research project, initiated by the CBIA, regarding the collection rate of PCB. Through the project, it was found that the collection rate of PCB in Chinese mainland reached over 94%, the highest percentage worldwide.</p> <p>We continue collaborating with the CBIA to conduct further research on PCB in Chinese mainland, covering the life cycle of PCB as well as the environmental impacts of recycling PCB for different purposes.</p> <p>Through ongoing collaboration, we aim to influence other bottlers and the industry by sharing technical and research-based insights.</p>
EXPANDING RECYCLED CONTENT WITH OUR TIER 1 SUPPLIER	We collaborated with one of the largest chemical companies worldwide, who is also our tier 1 supplier, to conduct a "cradle-to-grave" life cycle assessment (LCA) on shrink film.	Through the LCA, we evaluated the difference in carbon footprints between recycling and non-recycling system for producing shrink film. Leveraging this evaluation, we plan to develop economically viable packaging solution specifications that consider the environmental impacts throughout the life cycle.
WORLD CLASS OPERATIONS (WCO)	Through World Class Operations (WCO), we share our experience in driving lean operations, reducing waste and increasing efficiency. The WCO is a collaboration platform that focuses on supply risk and continuity, finance, sustainability, capability and productivity, quality and customer service, innovation, and regulatory and social responsibility.	<p>In 2020, 12 suppliers signed up for WCO and we worked together to roll out 11 improvement projects to reduce materials waste as well as improve energy and water use efficiency.</p> <ul style="list-style-type: none"> 2020 carbon emissions reduction from WCO-led projects: 14,337 tonnes 2020 water consumption reduction from WCO-led projects: 46,000 tonnes
COLLABORATION WITH NON-COMPETITIVE PEERS	In collaboration with a beverage producer peer from the beer industry, we encouraged our aluminium can sheet suppliers to study the recycling of aluminium scraps from the pre-consumer stage.	We worked together with our aluminium can sheet suppliers to estimate that more than 10% of industrial metal scrap is recycled when making the cans. We plan to continue tracking the recycling percentage and exploring ways to achieve better performance.

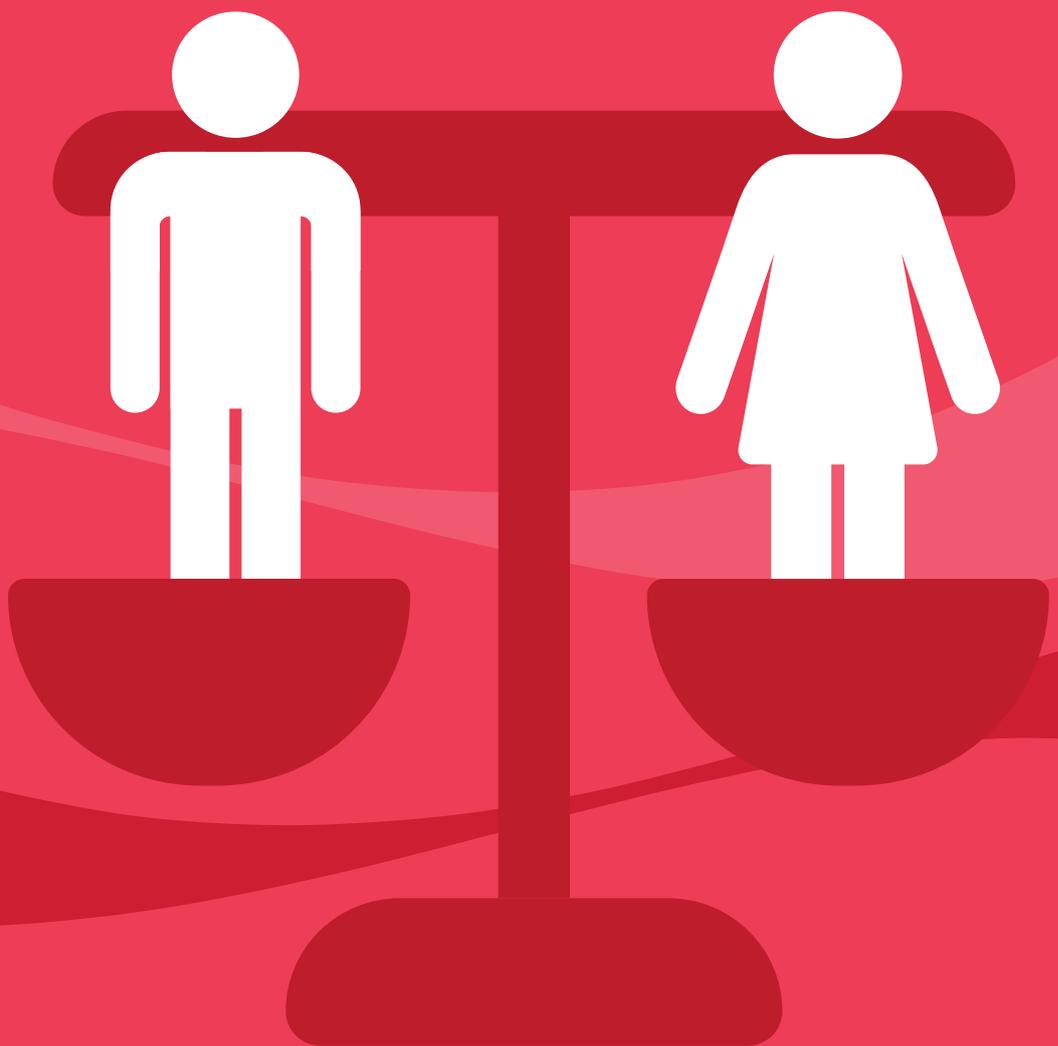
LOOKING FORWARD

In line with the carbon neutrality commitment in Chinese mainland and our decarbonisation targets, we are focusing on building a low-carbon supply chain. Our key focus areas and projects for 2021 and beyond include:

- 1. Sustainable project tracking system**
Using the tracking system gives us visibility of our indirect environmental footprints, which in turn helps identify improvement areas for formulating reduction plans with suppliers, review effectiveness of implementation and track ongoing performance. We plan to utilise this system to continuously track our performance and better communicate our decarbonisation strategy with suppliers.
- 2. Cans recycling and lightweighting**
The use of recycled aluminum cans reduces more than 95% of energy consumption and carbon emissions. Whilst the collection rate of UBC reached almost 99% in Chinese mainland, there is no de-coating technology used, meaning the collected UBC is downcycled to the non-can industry. Through collaborating with bottlers and suppliers, we will progressively increase clarity of regulatory compliance in Chinese mainland for the recycled contents and light-weight aluminium used in our cans.
- 3. Renewable energy procurement coalition**
The procurement process, legal and regulatory filings for renewable energy are complex for individual buyers. In this connection, we are taking a first step to procure renewable energy across different markets and planning to share our experiences with co-packers and suppliers to follow our path. We look forward to forming a Renewable Energy Procurement Coalition with them to encourage the use of low-carbon energy and promote the reduction of carbon emissions.
- 4. PET food grade application in Chinese mainland**
In Chinese mainland, food-grade packaging laws prohibit the use of collected materials. As part of our 2030 target to introduce recycled contents in our primary packaging, we are collaborating with government and industry associations to explore the possibility of using food-grade recycled PET in Chinese mainland. We plan to provide suggestions for applying food-grade PET by sharing the testing results of our flake-to-resin (FTR) technology that produces PET with 10% recycled content. We will carry out a new FTR experimental test in 2021 and increase the percentage of recycled content to 25%.
- 5. CDE upgrade**
Upgrading CDE units has always been a key part of our decarbonisation strategy. With our growing business, especially in Chinese mainland, the number of CDE units continues to increase in the years to come. Our Chinese mainland market has been working towards:

 - Moving from cassette to split cooler systems on signature one-door models in 2021, which are expected to be 39% more energy efficient and serves as a pilot to demonstrate the overall performance and operational efficiencies for further implementation.
 - Adopting other known technologies in the market, such as static cooling or direct cooling, to achieve higher energy performance.
 - Exploring new components used for refrigeration or lighting to optimise energy consumption.

OUR PEOPLE





OVERVIEW

OBJECTIVE

Our success depends on our people. We are committed to investing in our people and to creating a safe and inclusive working environment for all.



Rainbow Market Place in Yunnan, Chinese mainland

RELEVANT SUSTAINABILITY TOPICS



OCCUPATIONAL HEALTH AND SAFETY



EMPLOYEE ATTRACTION AND RETENTION



TRAINING AND EDUCATION



DIVERSITY AND INCLUSION



EMPLOYEE WELL-BEING AND ENGAGEMENT

OVERVIEW

Investing in our workforce is a strategic priority for us. Our people possess unique characteristics, experiences, creativity and knowledge that embody our corporate values and contribute to the success of our

business. It is crucial that we create a safe and inclusive workplace as well as foster an environment that encourages personal development where our employees can thrive.

STRATEGY

We aim to:

1
Strive for zero harm across our value chain and minimise safety risks

2
Create a culture where each individual is treated with **dignity and respect**

3
Ensure equal opportunities for women at all levels of our business

RELEVANT SDGS



Defensive driving training, Taiwan Region



OUR COMMITMENTS AND PROGRESS

ZERO HARM

TARGET **0** WORK-RELATED FATALITIES

PROGRESS



TARGET

By 2030, Total Injury Rate (TIR) reduction:



TIR in 2020: 15% decrease vs. 2018 baseline.

50%

PROGRESS



GENDER EQUALITY

TARGET

We will foster gender equality and have 50% of leadership positions held by women by 2030.



PROGRESS



TARGET

Provide our people with access to industry-leading leadership and functional capability development programmes.



PROGRESS



HUMAN RIGHTS

TARGET

We will ensure 100% compliance with our Workplace Rights Policy through third-party validation.



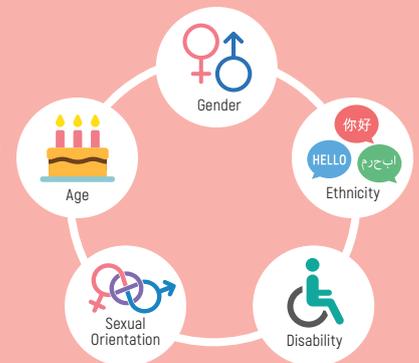
PROGRESS



INCLUSIVE WORKPLACE

TARGET

Create an inclusive workplace that provides equal opportunities for all and develop specific programmes and initiatives for each market.



PROGRESS





WHAT WE'RE DOING

SAFETY AND WELLBEING

We are committed to building a harm-free workplace. We work to minimise potential occupational safety risks across operations. Our strategy is aligned with TCCC's Quality Safety and Environment (QSE) approach. Safety performance can vary between markets as it is shaped by local context, the nature of the work

being done and the number of employees involved. We recognise the importance of receiving transparent feedback in helping us identify areas of risk effectively. Therefore, we assign a safety manager at each bottling plant to respond to local risks and concerns. We monitor our safety

performance with each market submitting a Monthly Safety Report to our Supply Chain Director and Managing Director for review and identification of mitigation measures. For details regarding our safety governance structure, please visit p.59 of our [2017 Sustainable Development Report](#).

Market	Key projects / initiatives
CHINESE MAINLAND	<p>Safety Month In June 2020, we initiated the "Safety Month" with several activities focusing on machine safety and two-wheels defensive driving programmes, and shared over 30 best practices observed from across our plants. 20,711 staff took part in an online safety knowledge competition and 12,477 staff participated in the driving programme.</p>
	<p>Health & Safety Risk Assessment We developed standardised Health & Safety Risk assessment procedures to evaluate risks in plant operations. This standardisation process, to be rolled-out in each plant, allows us to systemically categorise different types of risks. We conducted two in-person training sessions to guide onsite staff on safety implications and measures. As we continue to standardise and upgrade this assessment, our next step is to strategise the mitigation protocols against respective risks.</p>
HONG KONG SAR	<p>Safety Month ● In July 2020, we organised a "Safety Month" to reiterate our focuses on safety, namely "Redline and Red Focus", "Driving Safety", "Pristine Condition" and "Incident Prevention". We launched a series of safety activities among our staff, including roadshows by senior management, online quizzes, and training for supervisors, security staff and new joiners.</p>
	<p>Red Focus</p> <ul style="list-style-type: none"> To enhance road safety awareness among pedestrians who are visiting or working at our operation sites, we identified two focus areas for our road-safety training: <ol style="list-style-type: none"> "Always Follow Marked Crossing" – before crossing the road, always check and ensure to follow zebra crossings "No phubbing at the Operations Area" – pay attention when walking and avoid using smartphone We arranged 24 training sessions on road safety attended by over 1,000 staff.
	<p>"One Staff One Safety Training" Scheme Taking our "One Staff One Safety Training" Scheme to the next level, we require employees to take at least two safety training sessions annually. We reviewed the needs of each staff and customised two training programmes for them. We conducted more than 2,600 hours of safety training this year.</p>
TAIWAN REGION	<p>Traffic Safety Communication Programme Motorcycle accidents are one of the most frequent safety incidents recorded in Taiwan. We actively raised awareness on road safety through online trainings, posters and social media posts. In addition, the completion rate of motorcycle and vehicle online training reached 98%.</p>
	<p>Safety Observation and Reporting of Hazards ● To stay vigilant, we encourage staff to report potential hazards in the workplace. By conducting regular safety observations, we are able to continuously develop mitigating measures to enhance safety. We conducted 184 safety observations and received 270 safety self-reports from employees.</p>





Market	Key projects / initiatives
U.S.	<p>Virtual Reality Driver Training Pilot Conducting driver training for newly hired drivers, those involved in accidents or for remedial training can be challenging in a busy environment such as ours. We successfully launched a new virtual driver training pilot programme for off-site driving and we plan to deploy this programme in 2021.</p> <p>SmartDrive (Vehicle Telematics) Pilots ● We commenced a number of SmartDrive pilots to allow timely, video-based and digitalised communication of safe driving behaviour. By showcasing best practices, the reporting function of this system also supported our Top Driver Recognition Programme that recognises staff for upholding behaviour with high safety standards when driving. Since the commencement of these pilots, we observed that driver safety scores improved by over 92%.</p>

DIVERSITY AND INCLUSION (D&I)

We are committed to building a diverse and inclusive workforce and working environment, where everyone feels empowered and strives to be the best they can be. We embrace our differences in age, gender, ethnicity, sexual orientation, disability and characteristics that make our employees unique. We have previously developed the Swire Coca-Cola D&I mission, vision and strategic goals that align with Swire Pacific's commitments around D&I. For more details on our D&I mission, vision and strategic goals as well as our D&I governance, please refer to p.113 to 115 of our [2019 Sustainable Development Report](#).

Swire Coca-Cola Diversity and Inclusion Steering Committee (DISCO)

Since forming our first DISCO in Chinese mainland in 2018, we have continued to enhance our market-based approach to D&I by establishing DISCOs in Hong Kong SAR and Taiwan Region. We are in the process of establishing DISCOs in the U.S. Our DISCOs share learning and best practices regarding D&I with other markets and aim to embed D&I practices into our operations.

Each DISCO is responsible for analysing improvement areas and developing five-year action plans with specific targets related to D&I. Our five-year plans focus on the following strategic goals:

- To build a diverse workforce for the future;
- To develop inclusive policies, procedures and practices; and
- To become the best in class and be recognised for our D&I practices in the markets in which we operate

Policies and communications

We enhanced our existing Code of Conduct and established a Respect in the Workplace Policy to guide ethical behaviour and emphasise our commitment to cultivate a diverse and inclusive environment that is free from any forms of harassment, bullying and disrespect. We collaborated with third-parties to launch an online SpeakUp channel for employees to anonymously:

- Report suspected misconduct or violations of our Code of Conduct and policies;
- Ask for guidance relating to our Code of Conduct and policies; and
- Provide feedback and suggestions.

We review our D&I policies, processes, practices, programmes and workforce data on a regular basis. In the U.S., we engaged a third-party consultant to conduct reviews, employee surveys and interviews on issues and opportunities in terms of promoting D&I in the workplace. In addition, we organised

sessions of Authentic Leadership Training for our managers to reinforce a clear understanding of preventive measures against discrimination and harassments. Through these exercises, we are in the process of developing specific action plans for each function and geographical area.

Unconscious bias training

To eliminate deeply ingrained stereotypes and emphasise the benefits of a diverse workforce, we continued to deliver unconscious bias training for managers in all markets. The training aims to help managers identify unconscious biases and eliminate discriminatory behaviour. For example, we shared videos of virtual interviews with female sales representatives, warehouse specialists and supervisors to reflect challenges and issues they experienced in the workplace. All of our managers in Chinese mainland, Taiwan Region and the U.S. received this training in 2020. In the following year, we plan to provide this training to all supervisors and above, representing more than 2,000 staff.





OUR PEOPLE

OUR CHOICE
OUR FUTURE!

Return-to-work programme

We rolled out a three-month return-to-work programme in Hubei, providing job opportunities for former employees, for example stay-at-home mothers, who wish to return to the workforce after an extended break of over one year. By providing customised training, counselling and support, this programme allows us to build an inclusive team and support local employment.

Best employer award

We were recognised as the China Preferred Employer of the Year 2020 by the Centre for Social Research at Peking University and Zhaopin Limited, a national recruitment platform in Chinese mainland. This recognition is testimony to our endeavour to support training and development as well as to promote an inclusive working environment for our people.



RETURNING-TO-WORK STEP BY STEP

RECRUITMENT

Promotion through various channels, such as corporate website, local press, internal referral and social media sites

THREE-MONTH PROGRAMME

Provision of training on workplace relationships and time management
One-on-one partnership programme

PERFORMANCE REVIEW

Review of performance based on specific position and duties

RETURN-TO-WORK

Provision of full-time or part-time (flexible working) job opportunity

Supporting D&I

Focus	Our Approach	Projects and Initiatives
AGE 	We aim to create a multi-generational workplace.	Graduate Trainee Training Programme – Chinese mainland, Taiwan Region and U.S. We launched a three-year programme to recruit and develop young graduates. In 2020, 52 graduate trainees participated in our programme and received on-the-job training. To strengthen their network, we also connected them with professionals in the field and allowed a broader professional perspective.
GENDER 	We endeavour to increase gender diversity and empower female representation at all levels of management.	Achieve the Best of You – Chinese mainland Through our ongoing training programme for women to explore and achieve successful career development: <ol style="list-style-type: none"> 98% of female senior managers and managers; 98% of female supervisors; and 55% of female staff members have received professional training. <hr/> Sisterhood Programme – Chinese mainland This women's network convenes over 400 members within Swire Coca-Cola to form small support groups that meet and provide training to others. The network expanded to 14 bottling plants, with over 70 small support groups. <hr/> Male Allies – Chinese mainland The initiative encourages men in leadership roles to advocate for gender equality within the company and through their personal network. All bottling plants in Chinese mainland have launched their own initiatives and we have 7,000 male staff signed up. They communicated closely with female staff to provide guidance and mentorship in support of the development of their career.



Supporting D&I

Focus	Our Approach	Projects and Initiatives
<p>GENDER</p> 		<p>WISE – U.S. We sponsored the Women in Sports and Events (WISE), a not-for-profit organisation, to provide programmes and tools in support of the career development and professional networking of women in the business of sports.</p> 
<p>SEXUAL ORIENTATION</p> 	<p>We strive to create a discrimination-free workplace that supports LGBT+ communities</p>	<p>Pink Friday – Hong Kong SAR and Taiwan Region On 15 November, we encouraged our staff in Hong Kong and Taiwan to show support for LGBT+ inclusion by wearing pink to work. Through the #PinkFridayPride campaign, we aim to raise awareness of LGBT+ issues and promote a more inclusive workplace.</p>   <p>Lunch & Learn – Taiwan Region We invited representatives from the Taiwan Tongzhi Hotline Association and the Taiwan Equality Campaign to deliver a presentation focusing on creating a LGBT+ friendly working environment.</p>  <p>The First “Equality Without Prejudice” Rainbow Market Place – Chinese mainland Swire Coca-Cola China organised a Rainbow Market Place in Yunnan to celebrate diversity and inclusion. This was our first event to celebrate sexual minorities with the public in Chinese mainland. Representatives from Swire Coca Cola, Trans China, Tong Huashe, Pride and Meng Duibei gave speeches on the meaning of promoting D&I. We arranged a live dance performance by a local troupe consisting of transgender persons. 12 local NGOs supporting D&I also participated in the rainbow market by organising charity sales.</p> <p>Through this event, we also raised funds for 12 local charities supporting D&I.</p>   <p>Phoenix Pride Foundation – U.S. We partnered with the Phoenix Pride Scholarship to provide scholarship funding for LGBTQ+ students in the metropolitan Phoenix area.</p>



Supporting D&I

Focus	Our Approach	Projects and Initiatives
<p>ETHNICITY</p> 	<p>We are committed to fostering a workspace where individuals of all ethnic backgrounds are celebrated and respected.</p>	<p>We pay close attention to the ethnic and minority groups where we operate to ensure equal opportunities for each individual in our workplace.</p> <p>As a signatory of the Racial Diversity & Inclusion Charter for Employers, implemented by the Equal Opportunities Commission in Hong Kong, we continue to review our employment policies and practices to eliminate discrimination. In addition, we monitor ethnicity data within our company as reference to further develop our recruitment plan and build a more diverse workforce. This allows us to diversify baseline figures for ongoing monitoring and comparison.</p> <p>In the U.S., we supported the education of ethnic minority groups by sponsoring scholarships programmes and schools. In addition, we helped raise funds for the Ethnic Chambers serving the needs of ethnic business owners in the state of Utah and donated to the National Hispanic Cultural Centre to promote Hispanic culture and arts in Albuquerque, New Mexico.</p>
<p>DISABILITY</p> 	<p>We are dedicated to creating an accessible workplace.</p>	<p>We are in the process of studying the feasibility of expanding the recruitment of people with disabilities and discussing the potential challenges and possible solutions.</p> <p>On top of supporting those within our company, we also extended support to the surrounding communities. For instance, in the U.S., we contributed approximately US\$30,000 to local groups and entities, such as Special Olympics in different states, National Ability Centre in Utah and Firefly Autism in Colorado, with an aim to help people with disabilities through research funds and donations.</p>



PERFORMANCE

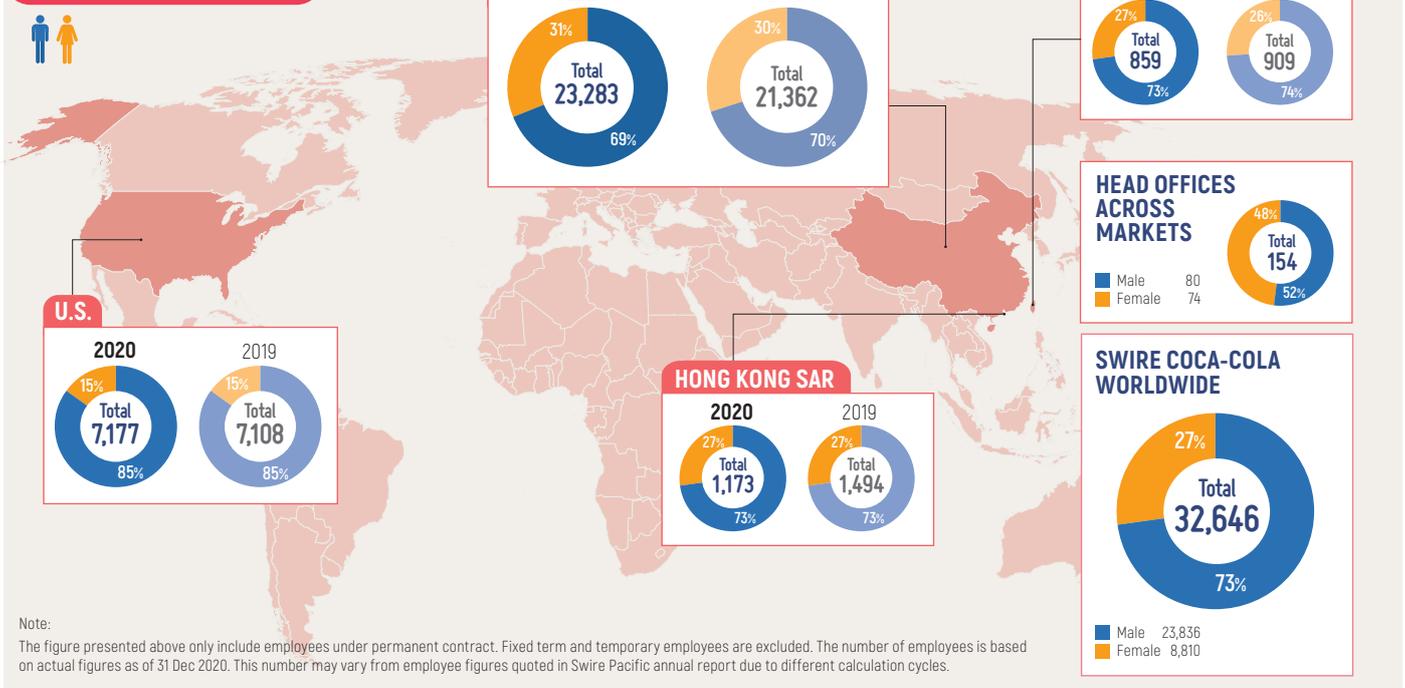
SAFETY AND WELLBEING

	2020	2019
Fatality	1	1
Lost time injuries rate	0.50 (15% reduction)	0.59
Total injuries rate	1.84 (16% reduction)	2.18
Lost day rate	22 (31% reduction)	32

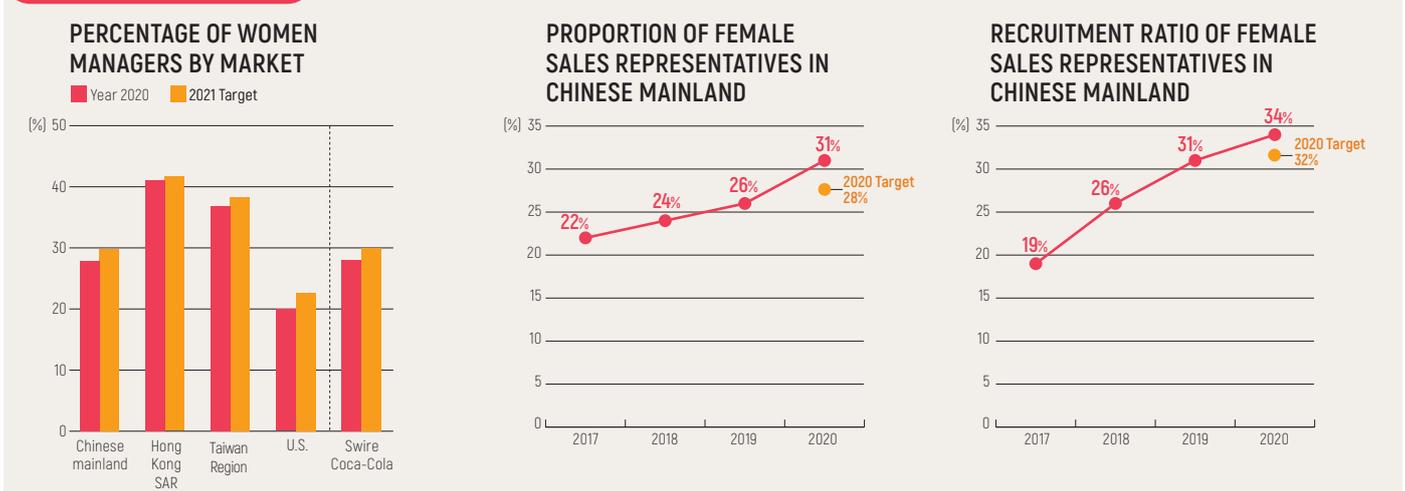
Regretfully, there was one case of fatality at Swire Coca-Cola this year. A full investigation was completed and we are taking active measures to review and enforce more stringent safety measures and standards for all workers onsite.

DIVERSITY AND INCLUSION

GENDER BREAKDOWN



WOMEN LEADERSHIP





LOOKING FORWARD

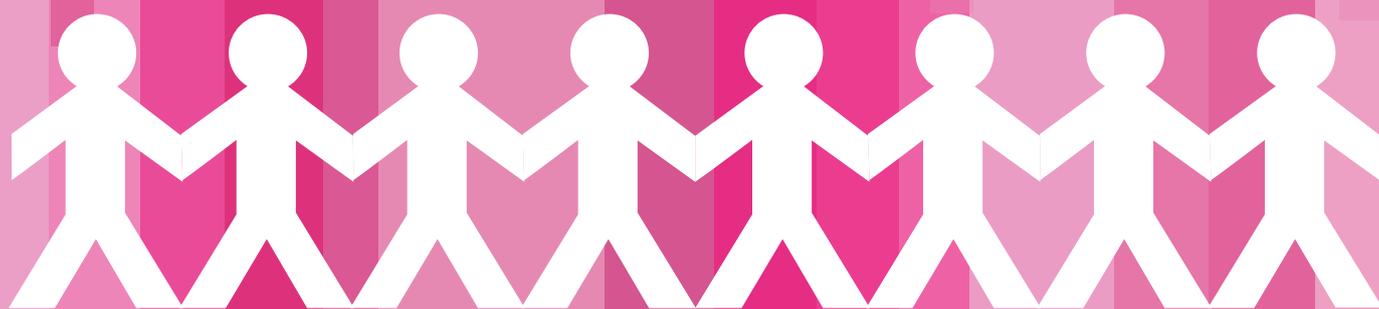
To achieve our zero fatality target and cultivate a harm-free workplace, we will continue reinforcing our safety culture, providing safety training and introducing new initiatives as needed. Following the success of our road-safety pilots in the U.S., we plan to deploy these programmes in more locations where we operate.

With the establishment of our DISCOs across markets, we look forward to supporting a diverse workplace. We will continue to deliver unconscious bias training to all managers, supervisors and frontline sales representatives to eliminate discrimination, facilitate more stringent D&I management and embed good practices in our daily operations. We will roll out Inclusive Leadership training to our managers, which helps to cultivate their inclusive mind-set and to adopt inclusive behaviours in our daily operation. On top of that, we plan to progressively integrate and enhance barrier-free facilities onsite, to establish a more inclusive workplace.

Accelerating the development of a female talent pipeline will remain a key focus of our D&I strategy. We will closely monitor

gender ratios, with the aim of achieving a gender-balanced workforce. We committed to establishing a workforce consisting of 50% female supervisors by 2030 and we have annual market-based targets to track our progress at different levels. To build a strong pipeline of female leadership roles, we will place more emphasis on enhancing female succession planning, supported by our new talent management system. In particular, we will provide continuous support and upgrade the training and development programmes for the ten key positions we identified as having the largest gender gap. In 2021, we plan to organise the third biannual Female Leadership Forum, inviting around 460 leaders from our workforce to participate and share best practices and cases of female empowerment.

COMMUNITY



OVERVIEW

OBJECTIVE

We believe that when the environment in which we operate thrives, so do we. We are firmly focused on the long-term sustainability of our business and the communities we serve.



Donating water as emergency relief - Henan

RELEVANT SUSTAINABILITY TOPIC



OVERVIEW

In addition to creating an economic impact, we strive to lift the communities where we operate. We have prioritised our

engagement in five focus areas that best reflect our corporate values and connects to our sustainable development.

OUR FOCUS AREAS



STRATEGY

We aim to:

1
Give back to the society by investing **1% of our annual profit to the CSR Fund** for supporting projects relating to our focus areas by 2025

2
Encourage corporate volunteering and encourage employees to **contribute to the community**

3
Partner with local organisations and stakeholders to customise projects which meet the needs of the local community

RELEVANT SDGS



Eureka Ditch Piping Replenishment Project in Arizona, U.S.



OUR COMMITMENTS AND PROGRESS

CSR FUND

TARGET



0.5%

In 2020, we invested 0.5% of our annual profit into the CSR Fund.



1%

Invest 1% of Swire Coca-Cola annual profit to the CSR Fund by 2025.

PROGRESS



CORPORATE VOLUNTEERING

TARGET



28,922 hours of services contributed by our volunteers.



8 hours

Average number of staff volunteering hours reach 8 hours per staff by 2030.

PROGRESS



CSR HIGHLIGHTS

CASH DONATIONS



HK\$ 7.13 million

CSR ACTIVITIES



230 programmes

IN-KIND DONATIONS



230,000+ cases of beverage
Value: HK\$9.1 million

WHAT WE ARE DOING

WATER STEWARDSHIP

Why It Matters	Progress and Highlights	
<p>Water is essential to the survival of ecosystem and communities and is the key ingredient of all beverages.</p>	<p>Eureka Ditch Piping Replenishment Project - Arizona, U.S. Waterflow of the Eureka Ditch, an eight-mile-long irrigation ditch located in the Verde River Valley, is impacted by diversions and dams. To address this, we replenish 10.9 million litres of water every year to the Eureka Ditch to enhance river flows which support fish and wildlife habitat.</p>	
<p>Our Approach</p> <p>Our projects with governments and NGOs protect local water sources and secure access to clean and safe water for communities in need.</p> 	<p>Guandu Nature Park - Taiwan Region In collaboration with the Wild Bird Society of Taipei, our conservation project aims to enhance biodiversity of organisms inhabited at the bottom of the wetland by opening the water gate twice a month and introducing saltwater.</p> <p>In light of our ongoing effort, we were able to catch sand shrimps, which are usually found in brackish water wetlands</p>	

PACKAGING AND WASTE MANAGEMENT

Why It Matters	Progress and Highlights	
<p>Packaging waste is a global challenge that the world is now facing. As a leading bottler, we shoulder the responsibility to rethink the design, processing, handling and circularity of packaging materials in order to achieve a "World Without Waste".</p>	<p>"World Without Waste" Exhibitions - Chinese mainland To influence the mindset and behaviour of our consumers to collect and recycle used plastic bottles and aluminium cans, we organised exhibitions in 11 cities. In addition to displaying sustainability information, the exhibitions also showcased upcycled items made from recycled bottles and packagings to articulate the value of recyclable materials.</p> <div style="display: flex; justify-content: space-between;"> <div data-bbox="416 1451 852 1765"> <p>rPET Exhibition</p>  <p>We demonstrated the process and materials used to turn beverage bottles into products made of recycled materials, telling the story of bottle collection and recovery.</p> </div> <div data-bbox="852 1451 1118 1765"> <p>Charity Sale</p>  <p>We also displayed our rPET products, such as backpacks and handbags made of recycled plastic material.</p> </div> <div data-bbox="1118 1451 1497 1765"> <p>Charity Sale</p>  <p>We held a charity rPET product sale and donated the funding to support the art development of children in deprived areas.</p> </div> </div>	
<p>Our Approach</p> <p>We encourage recycling and environmental awareness in the community with our vision of a "World Without Waste".</p> 	<p>"Tap, Return & Earn" Beverage Bottles Redemption Scheme - Hong Kong SAR We rolled out this scheme in 2019 to incentivise the collection of beverage bottles. In addition to placing reverse vending machines (RVMs) across Hong Kong, we collaborated with retailers and food and beverage companies to build momentum in beverage packaging recovery.</p> <p>We collected over 2.8 million of bottles since its launch in September 2019. This is the testimony that we are gaining more support from the community on packaging collection and recycling.</p> 	

YOUTH DEVELOPMENT

Why It Matters	Progress and Highlights
<p>Young people are the changemakers of the future. They should be equipped with the best possible education and facilitated with favourable conditions to shape the future they want.</p>	<p>Children's Safeguard Programme - Chinese mainland ●</p> <p>Since 2015, Swire Coca-Cola has been working with local volunteer groups and government departments to organise activities, to enhance students' safety awareness and capacity in response to emergencies. We have launched this programme in 20 schools in Shanghai, Zhejiang, Hainan and Zhanjiang, covering 27,900 students. We integrated elements such as road-safety, fire safety and first aid into series of interactive and engaging activities. For instance, in Zhanjiang, we put together an experience hall for students to undergo fire escape drill.</p>
<p>Our Approach</p> <p>We drive youth development by addressing social and community factors and increasing educational opportunities.</p> 	<p>Anti-Bullying Campaign - Taiwan Region ●</p> <p>Swire Coca-Cola Taiwan has cooperated with the Child Welfare League Foundation (CWLF) on an Anti-Bullying Campaign since 2017. Together we launched public education initiatives to raise the awareness of bullying and to foster a safe learning environment. From this campaign, we engage with 1,511 students and 1,031 teachers through classroom counselling to promote anti-cyberbullying.</p> <p>We also cooperated with local organisations, celebrities and influencers to convene anti-cyberbullying messages. For example, we held a press conference with the CWLF and we released a music video of Stop Cyber Bullying, which reached over 236 thousand views online.</p>


WOMEN'S EMPOWERMENT

Why It Matters	Progress and Highlights
<p>Unleashing the potential of women in the community can strengthen our economy. It increases economic diversification and income equality, in addition to other positive social development outcomes.</p>	<p>Coca-Cola 5by20 - Chinese mainland ●</p> <p>The Coca-Cola 5by20 programme developed by TCCC targets to empower five million women entrepreneurs within its global value chain by 2020 and Chinese mainland is a key market to help realise this target. Working collaboratively with TCCC and other bottlers in Chinese mainland, we have supported over 530,000 women entrepreneurs across the nation. We provided professional and personal development training for women entrepreneurs to support their business. Swire Coca-Cola Hefei initiated a project in support of women operating breakfast cart businesses.</p>
<p>Our Approach</p> <p>We aspire to eliminate gender gaps in the economy and empower women to realise their personal goals and fulfil their ambitions.</p> 	

EMERGENCY RELIEF

Why It Matters	Progress and Highlights
<p>Natural disasters destroy vital resources including local water supplies.</p>	<p>Under the impact of the COVID-19 pandemic, people around the world faced various kinds of challenges. We extended our support to those in need during this difficult situation.</p>
<p>Our Approach</p>	<p>Chinese mainland</p>
<p>We act quickly with the help of the governments and NGOs to distribute drinking water to those affected.</p>	<p>When the outbreak of COVID-19 pandemic started in the Hubei province, Swire Coca-Cola China took immediate action to support surrounding communities, especially where the impacts hit more severely. Our staff members promptly formed a volunteering team to give out more than 500,000 bottles of beverages to 50 public agencies, 27 hospitals, 24 quarantine camps and 16 medical teams during the lockdown in Hubei.</p> <p>We also donated RMB1.5 million to the Government of Wuhan Economic Development Zone in support of the sourcing of equipment and supplies for medical institution and the local communities.</p> <p>We donated over one million bottles of drinking water and other beverages to local governments, frontline healthcare workers, and workers on hospital construction sites in cities across Chinese mainland.</p>
<p>Hong Kong SAR</p>	<p>To show support and appreciation for frontline medical staff battling the pandemic, Swire Coca-Cola Hong Kong donated over 1,500 cases of water to quarantine camps and nearly 100 cases of energy drinks to the community treatment facility in Hong Kong. We also gave out drinking water to local NGOs as emergency relief, including Operation Dawn's premise on Town Island where freshwater supply is limited.</p>
<p>U.S.</p>	<p>Swire Coca-Cola USA initiated a number of measures to support the communities that we serve. In addition to providing masks and sanitisers, we delivered US\$100,000 worth of beverages to healthcare workers and vulnerable communities across the 13 states where we operate. One of our largest consignments, of 66,000 litres of Dasani water and other beverages, was delivered to the Navajo Nation, a Native American territory that was severely affected by COVID-19. In addition, we provided funds for children who missed school meals due to school closures and we helped distribute plastic sheeting to make face shields for healthcare workers.</p>



LOOKING FORWARD

We manage our CSR Fund with a clear guidance of our CSR Policy to ensure the fund is being used efficiently and properly across markets.

We are also in the progress of establishing the staff volunteering paid leaves, in order to promote the volunteering culture in the company and encourage employees' participation.

Through external engagement with governments, local communities and NGOs, we are keen to establish long-term relationships and partner with them to customise and implement CSR projects which amplify positive impacts to the local community.

PERFORMANCE TABLES

ENVIRONMENTAL PERFORMANCE

	Unit	Chinese mainland	Hong Kong SAR	Taiwan Region	US	Overall total
ENERGY - DIRECT						
Stationary source - Direct						
Diesel	MJ	16,237,346	0	0	0	16,237,346
Towngas	MJ	0	65,907,459	0	0	65,907,459
Natural gas	MJ	187,747,367	0	37,871,697	249,339,177	474,958,240
Liquid petroleum gas	MJ	6,097,834	0	0	0	6,097,834
Mobile source - Direct						
Diesel	MJ	102,085,675	31,738,817	19,611,530	319,501,365	472,937,386
Gasoline	MJ	29,107,947	3,254,505	7,353,800	144,632,199	184,348,451
ENERGY - INDIRECT						
Electricity	MJ	1,256,938,807	89,499,420	35,307,845	220,088,272	1,601,834,345
Steam	MJ	280,699,959	0	0	0	280,699,959
Compressed air - purchased	MJ	1,582,032	0	0	0	1,582,032
Total energy consumption	MJ	1,880,496,966	190,400,200	100,144,872	933,561,013	3,104,603,051 (R)
Energy use ratio (EUR)	MJ/L	0.30	0.56	0.51	0.28	0.31
GREENHOUSE GAS INCLUDING CARBON						
Scope 1 - Direct GHG emissions from stationary source						
Diesel	metric tonnes	1,145	0	0	0	1,145
Towngas	metric tonnes	0	3,500	0	0	3,500
Natural gas	metric tonnes	9,587	0	1,934	12,552	24,073
Liquid petroleum gas	metric tonnes	371	0	0	0	371
Scope 1 - Direct GHG emissions from mobile source						
Diesel	metric tonnes	6,727	2,167	1,292	22,293	32,481
Gasoline	metric tonnes	1,811	253	457	9,629	12,150
Scope 1 - Total direct GHG emissions	metric tonnes	19,642	5,920	3,684	44,474	73,720
Scope 1 - Fugitive emissions from refrigerants						
Refrigerants	metric tonnes	7,298	647	1,157	2,880	11,982
Scope 2 - Indirect GHG emissions						
Steam	metric tonnes	13,447	0	0	0	13,447
Towngas	metric tonnes	0	820	0	0	820
Electricity	metric tonnes	289,416	12,430	4,992	23,535	330,373
Compressed air - purchased	metric tonnes	354	0	0	0	354
Scope 2 - Total indirect GHG emissions	metric tonnes	303,216	13,250	4,992	23,535	344,994
Total GHG emissions (CO₂e) (Scopes 1 & 2, excluding emissions from refrigerants)	metric tonnes	322,858	19,170	8,676	68,009	418,714 (R)
WATER						
Total municipal water consumption	m ³	10,772,922	725,047	359,708	2,524,256	14,381,933
Total groundwater consumption	m ³	189,834	0	0	0	189,834
Total water consumption	m³	10,962,756	725,047	359,708	2,524,256	14,571,767 (R)
Water use ratio (WUR)	m³/L	1.80	2.64	2.31	1.70	1.82

Note:

(R) Denotes sustainability data that has been reported on by Deloitte Touche Tohomatsu. Please refer to the Independent Limited Assurance Report for further details.

ENVIRONMENTAL PERFORMANCE

	Unit	Chinese Mainland	Hong Kong SAR	Taiwan Region	US	Overall total
WASTE						
Recycling - Paper & carton	Kg	1,606,188	366,670	31,362	1,606,071	3,610,290
Recycling - Glass	Kg	1,883,192	76,538	119,505	43,636	2,122,871
Recycling - Cap	Kg	41,590	11,512	930	0	54,032
Recycling - Plastic	Kg	1,672,908	91,529	47,507	1,130,690	2,942,634
Recycling - Metal	Kg	508,310	172,057	19,148	159,338	858,853
Recycling - Aluminium	Kg	126,870	10,551	1,937	420,342	559,700
Recycling - PET	Kg	1,082,731	63,699	9,494	163,293	1,319,217
Recycling - Wood / pallet	Kg	280,560	114,608	60,965	5,098,414	5,554,546
Recycling - Sludge	Kg	1,786,083	213,587	140,740	0	2,140,410
Recycling - Tea slag	Kg	0	345,528	0	0	345,528
Recycling - Foodscraps	Kg	499,728	0	0	0	499,728
Recycling - Lubricants & oil	Litres	2,082	53,685	1,600	10,425	67,793
Recycling - Hazardous waste	Kg	0	25,573	11,515	0	37,088
Hazardous waste (liquid)	Litres	22,993	2,232	301	0	25,526
Hazardous waste (soild)	Kg	134,435	1,200	0	0	135,635
Commercial / industrial waste	metric tonnes	2,751	371	106	339	3,567
Waste - Sludge	metric tonnes	2,024	0	0	0	2,024
PACKAGING - PRIMARY PACKAGING						
vPET	metric tonnes	167,001	2,456	7,477	14,060	190,994
BioPET	metric tonnes	0	12	0	4,911	4,923
rPET	metric tonnes	0	1,137	0	2,880	4,017
New returnable glass	metric tonnes	2,581	210	182	0	2,973
Aluminium	metric tonnes	32,005	5,576	2,000	28,302	67,882
Closures - PP	metric tonnes	0	465	0	3,252	3,717
Closures - HDPE	metric tonnes	13,913	139	767	0	14,819
Aseptic fibre packs	metric tonnes	0	825	120	0	945
Strainless steel crown caps	metric tonnes	450	26	53	0	529
Primary packaging - total weight	metric tonnes	215,950	10,846	10,599	53,404	290,799
PACKAGING - SECONDARY PACKAGING						
Corrugated boxes, paper trays	metric tonnes	9,819	995	3,094	15,866	29,773
Label - OPP	metric tonnes	2,910	37	29	439	3,415
Label - PETG	metric tonnes	98	89	322	0	509
Shrink film	metric tonnes	16,414	290	539	596	17,838
Secondary packaging - total weight	metric tonnes	29,241	1,410	3,983	16,901	51,536
PACKAGING - TERTIARY PACKAGING						
Stretch	metric tonnes	2,026	51	0	0	2,077
Tertiary packaging - total weight	metric tonnes	2,026	51	0	0	2,077

SOCIAL PERFORMANCE

	Head offices	Chinese mainland	Hong Kong SAR	Taiwan Region	U.S.	Overall total ¹
WORKFORCE PROFILE						
Number of employees under permanent contract						
Male	80	16,172	858	638	6,088	23,836
Female	74	7,111	315	221	1,089	8,810
Total number of permanent employees	154	23,283	1,173	859	7,177	32,646
Number of employees under temporary and fixed term contract						
Male	1	0	111	19	24	155
Female	3	0	18	17	6	44
Total number of temporary employees	4	0	129	36	30	199
Total number of employees	158	23,283	1,302	895	7,207	32,845
Proportion of workforce by age group						
Under 30 years old	22	4,456	188	112	1,924	6,702
30 to 50 years old	99	17,258	846	598	3,869	22,670
Over 50 years old	37	1,569	268	185	1,443	3,502
Proportion of workforce by employment category²						
Level 1 - Working level staff	8	18,256	1,053	649	6,367	26,333
Level 2 - Supervisor/manager	46	3,307	189	177	792	4,511
Level 3 - Senior manager/director	73	1,701	60	69	63	1,966
Level 4 - General manager	31	19	0	0	14	64
GENDER EQUALITY						
Number of females in the workforce	77	7,111	333	238	1,095	8,854
Proportion of female in the workforce	48.7%	30.5%	25.6%	26.6%	15.2%	27.0%
Number of female employees by employment category³						
Level 1 - Working level staff	4	5,714	213	130	921	6,982
Level 2 - Supervisor/manager	32	934	76	64	152	1,258
Level 3 - Senior manager/director	29	460	26	27	17	559
Level 4 - General manager	9	3	0	0	5	17
Proportion of female employees by employment category³						
Level 1 - Working level staff	50%	31%	20%	20%	14%	27%
Level 2 - Supervisor/manager	70%	28%	40%	36%	19%	28%
Level 3 - Senior manager/director	40%	27%	43%	39%	27%	28%
Level 4 - General manager	29%	16%	0%	0%	36%	27%
NUMBER OF BOARD MEMBERS						
By gender						
Male	0	0	1	0	0	1
Female	0	0	0	0	0	0
By age group						
Under 30 years old	0	0	0	0	0	0
30 to 50 years old	0	0	0	0	0	0
Over 50 years old	0	0	1	0	0	1

Note:

1. The number of employees is based on actual figures as of 31 Dec 2020. This number may vary from employee figures quoted in Swire Pacific annual report due to different calculation cycles.
2. The total number of jobs eligible for inclusion in the level 4 banding is subject to the ongoing level parameter review.
3. Number of female employees refer to permanent employees only.

SOCIAL PERFORMANCE

	Chinese mainland	Hong Kong SAR	Taiwan Region	U.S.	Overall total
SAFETY					
Hours worked	48,203,279	3,529,687	1,774,945	15,762,831	69,270,742
Work-related fatalities					
Number	0	0	0	1	1 (R)
Rate	0	0	0	0.0127	0.0029
High-consequence work-related injuries (excluding fatalities)					
Number	1	0	0	0	1
Rate	0.00	0	0	0	0.01
Lost Time Injury (LTI)					
Number	40	17	6	111	174
Rate	0.17	0.96	0.68	1.41	0.50 (R)
Medical Treatment Case (MTC)					
Number	55	6	5	398	464
Recordable work-related injuries					
Number	95	23	11	509	638
Rate	0.39	1.30	1.24	6.46	1.84
Lost day					
Number	3,872	1,762	165	1,899	7,698
Rate	16.07	99.84	18.59	24.09	22.23

Note:

1. Swire Coca-Cola is collecting the relevant data from contractors and hopes to disclose health and safety indicators of contractors in future reports.

(R) Denotes sustainability data that has been reported on by Deloitte Touche Tohomatsu. Please refer to the Independent Limited Assurance Report for further details.

	Chinese mainland	Hong Kong SAR	Taiwan Region	U.S.	Overall total
COMMUNITY ENGAGEMENT					
Cash donations (HKD)	1,816,182	40,000	419,942	4,853,266	7,129,391
No. of charity events	148	4	3	75	230
Total volunteering hours	28,637	0	285	0	28,922

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure Number and Title	Section	Page no./ Explanation/ Reasons for Omissions
GRI 101: Universal Disclosures 2016			
GRI 102: General Disclosures 2016			
102-1	Name of the organisation	Our Approach to Disclosure	p.5
102-2	Activities, brands, products, and services	Swire Coca-Cola at a Glance	p.8
102-3	Location of headquarters	Swire Coca-Cola at a Glance	p.9
102-4	Location of operations	Swire Coca-Cola at a Glance	p.9
102-5	Ownership and legal form	Our Approach to Disclosure	p.5
102-6	Markets served	Swire Coca-Cola at a Glance	p.8
102-7	Scale of the organisation	Swire Coca-Cola at a Glance	p.8
102-8	Information on employees and other workers	Performance Tables	p.72
102-9	Supply Chain	Sourcing	p.47
102-10	Significant changes to the organisation and its supply chain		
102-11	Precautionary principle or approach	Our Approach to Disclosure	p.6
102-12	External initiatives	-	Swire Coca-Cola Website
102-13	Membership of associations	-	Swire Coca-Cola Website
102-14	Statement from senior decision maker	Message from our Managing Director	p.3
102-16	Values, principles, standards, and norms of behaviour	Our Approach to Disclosure	p.7
102-18	Governance structure	Our Approach to Disclosure	p.6
102-40	List of stakeholder groups	Our Approach to Materiality Assessment	p.12
102-41	Collective bargaining agreements	-	Although there is no legal framework for collective bargaining with trade unions in Hong Kong SAR, Swire Coca-Cola Hong Kong opens to conversations with unions on areas of concerns. In Chinese mainland, we are normally required to liaise with official trade union. Employees can present grievances and report improprieties and breaches of the Code of Conduct through established channels.
102-42	Identifying and selecting stakeholders	Our Approach to Materiality Assessment	p.12
102-43	Approach to stakeholder engagement	Our Approach to Materiality Assessment	p.12
102-44	Key topics and concerns raised	Our Approach to Materiality Assessment	p.13
102-45	Entities included in the consolidated financial statements	-	Please see Swire Pacific's Annual Report 2020 for details.
102-46	Defining report content and topic boundaries	Our Approach to Disclosure	p.5
102-47	List of material topics	Our Approach to Materiality Assessment	p.13
102-48	Restatements of information	-	
102-49	Changes in reporting	-	No significant changes.
102-50	Reporting period	Our Approach to Disclosure	p.5
102-51	Date of most recent report	-	The 2019 Sustainable Development Report covered the reporting period between 1 January 2019 and 31 December 2019.
102-52	Reporting cycle	Our Approach to Disclosure	p.5
102-53	Contact point for questions regarding the report	Our Approach to Disclosure	p.7
102-54	Claims of reporting in accordance with the GRI Standards	Our Approach to Disclosure	p.7
102-55	GRI content index	GRI Standards Content Index	p.75
102-56	External assurance	Limited Assurance Report	p.78

GRI Standard	Disclosure Number and Title	Section	Page no./ Explanation/ Reasons for Omissions
MATERIAL TOPICS			
GRI 200: Economic Topics 2016			
GRI 204: Sourcing 2016			
GRI 103	Management Approach 2016	Sourcing	p.47
204-1	Proportion of spending on local suppliers	Sourcing	Under The Coca-Cola System, Swire Coca-Cola's supplier list for direct goods and goods bearing TCCC's logo is already been approved by TCCC. Swire Coca-Cola selects critical suppliers from this list only.
GRI 205: Anti-corruption 2016			
GRI 103	Management Approach 2016	-	p.6
205-3	Confirmed incidents of corruption and actions taken	-	There was no incidents of corruption noticed in 2020.
GRI 300: Environmental Topics 2016			
GRI 301: Materials 2016			
GRI 204: Sourcing 2016			
GRI 103	Management Approach 2016	Packaging and Waste	p.33
301-1	Materials used by weight or volume	Packaging and Waste; Performance Tables	p.37; p. 71
GRI 302: Energy 2016			
GRI 103	Management Approach 2016	Climate	p.17
302-1	Energy consumption within the organisation	Performance Tables	p.70
302-3	Energy intensity	Performance Tables	p.70
GRI 303: Water 2016			
GRI 103	Management Approach 2016	Water	p.25
303-1	Water withdrawal by source	Water; Performance Tables	p.31; p.70
303-3	Water recycled and reused	Performance Tables	p.70
GRI 305: Emissions 2016			
GRI 103	Management Approach 2016	Climate	p.17
305-1	Direct (Scope 1) GHG emissions	Climate; Performance Tables	p.23; p.70
305-2	Energy indirect (Scope 2) GHG emissions	Climate; Performance Tables	p.23; p.70
305-6	Emissions of ozone-depleting substances (ODS)	Performance Tables	p.70
GRI 306: Effluents and Waste 2016			
GRI 103	Management Approach 2016	Water; Packaging and Waste	p.25; p.33
306-2	Waste by type and disposal method	Packaging and Waste	p.39
GRI 307: Environmental Compliance 2016			
GRI 103	Management Approach 2016	Climate; Water; Sourcing	p.17; p.25; p.48
307-1	Non-compliance with environmental laws and regulations		There was no non-compliance case with environmental laws and regulations during the reporting year.
GRI 400: Social Topics 2016			
GRI 403: Occupational Health and Safety 2018			
GRI 103	Management Approach 2018	Our People	p.55
403-1	Occupational health and safety management system	Our People	p.58
403-2	Hazard identification, risk assessment, and incident investigation	Our People	p.58; p.62
403-3	Occupational health services	Our People	p.58
403-4	Worker participation, consultation, and communication on occupational health and safety	Our People	p.58
403-5	Worker training on occupational health and safety	Our People	p.58
403-6	Promotion of worker health	Our People	p.58
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our People	p.58
403-9	Work-related injuries	Our People; Performance Tables	p.62; p.73

GRI Standard	Disclosure Number and Title	Section	Page no./ Explanation/ Reasons for Omissions
GRI 405: Diversity and Inclusion 2016			
GRI 103	Management Approach 2016	Our People	p.55
405-1	Diversity of governance bodies and employees	Our People; Performance Tables	p.62; p.p.72
GRI 413: Local Communities 2016			
GRI 103	Management Approach 2016	Community	p.64
413-1	Operations with local community engagement, impact assessments, and development programme	Community; Performance Tables	p.66; p.73
GRI 417: Marketing and Labeling 2016			
GRI 103	Management Approach 2016	Product Choice	p.42
417-1	Requirements for product and service information and labelling	Product Choice	p.44; p.47
GRI 419: Socioeconomic Compliance 2016			
GRI 103	Management Approach 2016	-	
419-1	Non-compliance with laws and regulations in the social and economic area	-	There was no non-compliance case with laws and regulations in social and economic area during the reporting year.

ADDITIONAL MATERIAL TOPICS NOT COVERED BY THE TOPIC-SPECIFIC STANDARDS			
Sugar			
GRI 103	Management Approach 2016	Product Choice	p.42
Indicator	Proportion of portfolio with low- and no-sugar options in each market	Product Choice	p.45
Indicator	Number of low- and no-sugar products	Product Choice	p.45
Food Safety and Product Quality			
GRI 103	Management Approach 2016	Product Choice	p.42
Indicator	Cases of non-compliance with relevant laws and regulations	Product Choice	p.47

INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the Board of Directors of
Swire Coca-Cola Limited

We have been engaged by the Directors of Swire Coca-Cola Limited ("SCC") to perform a limited assurance engagement in relation to the selected sustainable development data by SCC (the "Data Points") listed below in its Sustainable Development ("SD") Report for the year ended 31 December 2020 (the "SD Report 2020").

Data Points

The details of the Data Points are listed below:

Environmental

1. Total energy consumption
2. Total greenhouse gases emissions by weight (CO₂e) (Scopes 1 & 2, excludes emissions from refrigerants)
3. Total water consumption – municipal and groundwater

Social

1. Number of fatalities
2. Lost time injury rate

The Data Points were identified with the symbol [R] in the Data Point table set out in Appendix I to this report.

Reporting Criteria

The Data Points are presented in accordance with the criteria set out in the section "Reporting Standards and Scope of Report" in the SD Report 2020 (the "Reporting Criteria").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1, "*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities

Deloitte Touche Tohmatsu

It is our responsibility to express a limited assurance conclusion on the Data Points based on our work performed and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility or accept liability to any other person for the contents of this report.

Swire Coca-Cola Limited

The Directors of SCC are responsible for the preparation and presentation of the Data Points in accordance with the Reporting Criteria. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Data Points, applying an appropriate basis of preparation, making estimates that are reasonable in the circumstances and ensuring the accuracy and completeness of the Data Points.

Reporting Framework

We conducted our work in accordance with the International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits or Reviews of Historical Financial Information", and the International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" (the "Standards"), issued by the International Auditing and Assurance Standards Board.

The Standards require that we comply with ethical requirements, and plan and perform the engagement to obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Data Points do not comply in all material respects with the Reporting Criteria.

Objectives

The overall objectives of our procedures were to assess whether the Data Points were prepared in all material respects, in accordance with the Reporting Criteria.

Procedures Performed

Our work comprised the following limited procedures:

- Interviews with relevant management and personnel involved in providing information relating to the Data Points for inclusion in the SD Report;
- Sample testing of documentary evidence at SCC's corporate level and site level;
- Analytical procedures; and
- Recalculation.

We have not performed any procedures in relation to other data included in the SD Report 2020. In addition, our work performed is not for the purposes of expressing an opinion on the effectiveness of SCC's internal controls.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent Limitations

Non-financial performance information, including the Data Points, is subject to more inherent limitations than financial information given both its nature and the methods used for determining, calculating, sampling and estimating such information. This could have a material impact on comparability. Qualitative interpretations of relevance, materiality and the accuracy of such information are subject to individual assumptions and judgements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Data Points have not been prepared, in all material respects, in accordance with the Reporting Criteria.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
9 March 2021

Appendix I - Data Point Table

Environmental			
	Unit	Total	
Total energy consumption	MJ	3,104,603,051	R
Total greenhouse gases emissions by weight (CO2e) (Scopes 1 & 2, excludes emissions from refrigerants)	metric ton	418,714	R
Total water consumption – municipal and groundwater	cubic meter	14,571,767	R
Social			
Number of fatalities		1	R
Lost time injury rate		0.5	R

Note:

R. This Data Point was limited assured by Deloitte Touche Tohmatsu