

European soft drinks sector commits to reduce added sugars by a further 10% Beverage industry joins forces to triple pace of sugar reduction by 2020

Brussels, 7 February 2017; The European soft drinks industry[1] has announced it will reduce added sugars in its products by a further 10% by 2020[2]. The commitment will be rolled out across Europe. This initiative responds to changing consumer preferences regarding sugar intake and calls from Member States and the European Commission for a coordinated approach to reformulation and sugar reduction. The sector – which includes well-known brands such as Coca-Cola, Pepsi and Orangina – will innovate, reformulate, use smaller pack sizes and encourage consumer choice towards low and no calorie drinks to achieve its ambitious target.

The soft drinks sector is an early mover in added sugars reduction with its journey beginning in the 1970s when the first no sugar and no calorie soft drinks were introduced. In soft drinks, reduction in added sugars leads directly to reduced calories. The industry reduced sugar in still and carbonated soft drinks by 12% from 2000-2015[3], so the new commitment triples this pace by adding another 10% reduction over the next five years[4].

By joining industry forces at European level, the commitment has the merit of putting in place a Europe wide approach and impacting over 500 million consumers. The committed 10% is an aggregate and takes into account existing and new local industry pledges on sugar reduction, reflecting specific national diets and consumer preferences in the EU.

The initiative addresses consumer preferences regarding sugar and calorie intake. It is also a response to the EU's call for reformulation and sugar reduction across the food industry. The commitment supports the EU Roadmap for Action on Food Product Improvement and the Annex on Voluntary Reduction of Added Sugars with its 10% sugar reduction target agreed between Member States and the European Commission.

The industry will achieve its target through increasing its efforts on reformulation and new product innovation - including by using low and no calorie sweeteners - and increasing the availability of smaller pack sizes to allow portion control and moderation. In addition, soft drinks producers will invest in the promotion of beverages with reduced or no sugar to actively encourage consumer choice towards low and no calorie products. Independent third party research will monitor progress, which will be shared with stakeholders.[5]

Announcing the move today Stanislas de Gramont, President of UNESDA Soft Drinks Europe and CEO of Suntory Beverage and Food Europe said, "We welcome the EU's policy approach to reformulation and sugar reduction which is based on partnership and allows us to deliver speed and scale. This 10% sugar reduction commitment represents a tripling of the pace of our efforts to date. We will need to employ a wide array of tools in order to achieve our ambitious target and we hope other food categories will follow suit in order to generate critical mass."

¹ UNESDA Soft Drinks Europe is the trade association representing non-alcoholic beverages such as carbonates, fruit based drinks and dilutables. Other categories such as bottled water, juices, milk-based or hot beverages are represented at EU level by other organizations. UNESDA represents 80% of the European soft drinks industry by value.

² Metric is average content of added sugar per 100 ml.

³ Source: Canadean

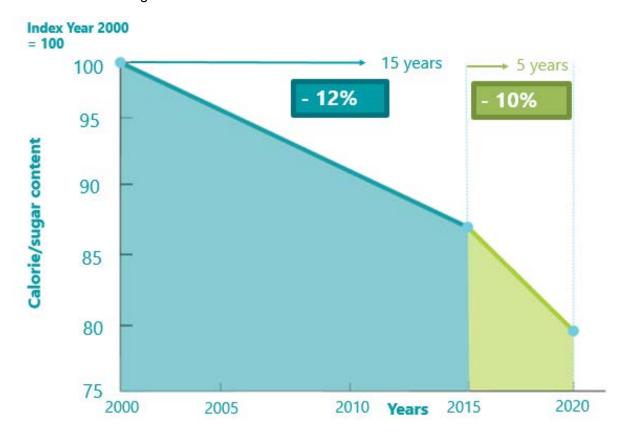
⁴ The combined of reductions achieved and this new commitment will be 20% less sugars on average in 2020 compared to 2000

⁵ UNESDA will monitor its compliance with the new commitment through independent, third party auditors including Canadean www.canadean.com

Commenting on the initiative Dan Sayre and Nikos Koumettis, Presidents of The Coca-Cola Company's Business Units in Europe said, "As a company, we have always grown by listening and responding to our consumers, stakeholders and society at large. We agree that too much sugar isn't good for anyone and want to enable consumers to better control their intake of added sugar. We believe that this and the other actions we are taking will help more people make the right decisions for them and their families."

Richard Evans, PepsiCo Europe and Sub Saharan Africa President Category Teams, Franchise and Africa added, "Companies like PepsiCo have a tremendous opportunity – as well as a responsibility – to not only make a profit, but to do so in a way that makes a difference in the world. We were first movers in reformulating products for lower calories but we recognise that more must be done to help people manage their calorie intake. Working together with our industry peers, this accelerated programme to reduce sugar is one of the ways we are bringing our Performance with Purpose vision alive. We aim to deliver strong financial performance sustainably over time in a way that is responsive to the needs of society."

The soft drinks industry is the first sector to come forward with a commitment in response to the EU's general 10% added sugar reduction target. The industry is already actively working with local governments and stakeholders across Europe in driving sugar reduction and looks forward to continuing these efforts tailored to local situations and needs.



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Photographs of CEOs are available <u>here</u>.

About UNESDA

• UNESDA was established in 1958 and is a Brussels-based association representing the European soft drinks industry. Its membership includes both companies and national

- associations from across Europe. It is a member of a number of trade associations and a founding member of the EU Platform for Action on Diet, Physical Activity and Health. It is signatory to the EU Transparency Register (No: 25492952296-56).
- UNESDA made some of the very first Commitments to the EU Platform when it was set up 10 years ago. The commitments including no advertising to children under 12 and no sales in primary schools still stand today. Compliance is independently audited and achieves levels of over 95%.

Fast Facts about soft drinks

- Soft drinks represent less than 3% of calories in the average European diet
- Average calories per 100 ml have been reduced by 12% from 2000-2015
- Availability of pack sizes smaller than 330ml (standard can) increased 150% since 2006
- There are now over 30 different smaller single serve packs to choose from
- 66% of new product introductions are no and reduced sugar products
- No and low calorie drinks represent over 30% of sales in several EU markets

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