



A sustainable future for soft drinks

Soft Drinks Industry Sustainability Strategy

Introduction

Sustainability is top of the agenda of the British Soft Drinks Association. Innovations in packaging, efficiencies in transport and savings in energy and water use in the production of soft drinks have enabled us to improve our environmental impact, but we want to go further.

To build on these achievements, BSDA has developed a sustainability strategy which sets out the industry's aims moving forward. These objectives are long-term and far-reaching and we believe they will have a positive impact on resource use and underpin a sustainable future for the soft drinks industry.

The objectives focus on four areas:

- **Climate change**
- **Waste and packaging**
- **Water**
- **Transport**

This strategy sets out the industry's position in each of these areas – our ambitions, the challenges and how we believe we can achieve our aims.

Importantly, these areas of focus reflect the objectives laid out in the government's Food Industry Sustainability Strategy and we believe that by working collectively as an industry and with the support of the government we can make a significant and positive contribution.

Details of the objectives to which BSDA members have agreed, are outlined in this document and can also be found at www.britishsoftdrinks.com.

Climate Change

Industry ambition: In line with the aims of the Climate Change Bill, it is the sector's ambition to achieve a 30% reduction in CO₂ emissions from manufacturing by 2020 compared to 1990 levels.

Delivering the industry ambition

The soft drinks industry believes it can reduce its carbon emission from manufacturing by: Improving energy efficiency in manufacturing and using low carbon energy at manufacturing sites.

Line optimisation, efficient heating and cooling technology and improving pressure systems are examples of ways in which energy efficiency can be achieved in manufacturing. Solar technology, wind energy, combined heat and power, biomass boilers and purchasing on-grid low-carbon energy are among the options available when seeking to reduce carbon intensive energy in manufacturing.

Challenges faced

The efficient use of carbon-based energy is central to reducing CO₂ emissions by the soft drinks industry. For a growing sector, energy efficiency as a means of reducing emissions is restricted as any improvement is likely to be exceeded by the increase in production due to growth. Much work has already been done to improve the energy efficiency of older manufacturing sites through Climate Change Agreements and pollution prevention and control permitting. Newer manufacturing sites use more up-to-date and efficient technology, so increasing energy efficiencies still further is difficult.

The changing nature of consumer preferences could also play a role in emissions levels. The increasing demand for preservative free products could increase the energy intensity of soft drinks production as the removal of preservatives may mean that products require heat treatment instead.

These factors mean that the use of low carbon energy will be essential in reducing emissions – either from on-site renewable energy or national grid energy. Both options present new challenges. Finding suitable sites for wind turbines has already proved difficult and current planning processes can be an obstacle to the installation of on-site renewable energy equipment. Low-carbon energy available from the national grid is only around 10%, (8% nuclear, 2% renewable) so achieving a reduction of 30% in emissions by 2020 will require the amount of low carbon energy to increase significantly.

Government action

The UK currently produces only 2% of its primary energy from renewable sources. The government has proposed to produce 20% of energy from renewable sources by 2020, and could introduce targets in the Climate Change Bill to reduce emissions by 30% by 2020. The targets set by the government need to be met in order for UK manufacturing sectors to reduce their emissions on a significant scale.

National and local government should ensure that the planning process for on-site renewable energy equipment is simplified and consistent across the UK.

Fiscal incentives such as enhanced capital allowance for equipment and a review of the business rates system should be offered to encourage energy efficiency and the government should continue to support organisations like the Carbon Trust, whose work with industry in establishing and sharing best practice as well as offering sources of grant funding and loans to reduce carbon emissions has been extremely valuable.

Waste and Packaging

Industry ambition: It is the sector's ambition to: send zero manufacturing waste to landfill from 2015 and contribute to WRAP's objectives by aiming to improve the sustainability of soft drinks packaging.

Delivering the industry ambition

Members will seek to send zero manufacturing waste to landfill from 2015 by ensuring that the maximum volume of this waste is recycled, with the remaining being used for energy recovery by incineration.

Soft drinks manufacturers will continue to work on reducing the amount of material used in packaging. Work is already being undertaken to reduce the amount of material used in the neck of plastic drinks bottles. While most drinks packaging is easily recyclable, improvements can be made to maintain and improve packaging recyclability. BSDA has agreed to develop a code of practice that aims to improve PET packaging recyclability by addressing some of the components of bottles that might affect the recycling process. Members will look at opportunities to maximise the amount of post consumer recycle in soft drinks containers, and will continue to look at ways to reduce the impact of secondary and tertiary packaging.

Challenges faced

Opportunities to make absolute reductions in the amount of soft drinks packaging reaching the household are limited as the amount of material saved through light-weighting is likely to be exceeded by any future growth in sales. At present, approximately 25% of plastic bottles are recycled. Increasing recycling rates depends on the materials collected by local authorities and the public's willingness to recycle as well as on manufacturers ensuring that their packaging is recyclable.

Increasing recycled content in plastic bottles is dependant on post consumer recycled PET (rPET) availability, supplies of which are currently extremely limited. Improvements in the recyclability of PET will help ensure there is sufficient material for reprocessing plants. However, this is very much dependent on local authority collection through improving kerbside recycling schemes and effective recycling on-the-go initiatives.

The removal of preservatives may affect the recyclability of packaging due to increased use of barrier layers in PET bottles. It may also reduce the opportunities to light-weight packaging.

Government action

Packaging is essential in preserving food and drink and minimising waste and the government should be clear on the valuable role packaging plays. The government should also ensure that any policies to reduce pack sizes do not have an adverse environmental impact.

It is absolutely essential that recycling rates grow and the industry is keen to work with national and local government to further improve kerb-side recycling schemes and recycling infrastructure. Clear, simple and consistent schemes will encourage consumers to recycle and will improve collection rates. The government should continue to support organisations like WRAP, whose work with industry in establishing and sharing best practice as well as offering sources of funding for improvement projects is extremely valuable.

Water

Industry ambition: It is the sector's ambition to reduce its waste water volumes (i.e. water not contained in the product) to contribute to a food and drink industry target to reduce water use by 20% by 2020 compared to 2007.

Delivering the industry ambition

The sector will seek to improve water efficiency of production through methods such as:

- 'Water pinch' technology
- Optimisation of cleaning in place systems (CIP)
- Other possibilities for water reduction include: mechanical seal water management and efficient floor washers

Rain water harvesting (i.e. collecting and storing water from roofs) can be used to provide water for non-production parts of the site. Grey water systems could also be installed to take dirty water from manufacturing for use in domestic areas of sites.

Challenges faced

The industry is acutely aware of the need to reduce water demand to ensure the long-term sustainability of its water sources. Yet for many member companies, work to reduce water demand has taken place prior to the baseline year of 2007 and opportunities for reductions may be affected by a growth in production volumes. Newer manufacturing sites use more efficient technology, limiting further efficiency opportunities.

The industry is committed to maintaining the safety and quality of its products and water plays an essential role in this process. The reduction in pack sizes and the removal of preservatives would lead to an increase in the water intensity of production and is likely to lead to increased demand for water. Large scale investments might also be required to install water-efficient equipment.

Government action

Government policies focusing on smaller pack sizes and a trend away from preservatives can have a direct impact on water demand so it is essential that the government analyses the environmental impact of such policies during the decision making process.

The government should ensure that financial incentives and advice are available to companies to help improve water efficiency. Work needs to be done to improve water efficiency in general, not only in manufacturing but also in other industries, in households and through improved leakage reduction by water supply companies.

The government should continue to support organisations like Envirowise, who work with industry in establishing and sharing best practice as well as offering sources of grant funding and loans to improve water efficiency.

Reducing the external cost of freight transport

Industry ambition: It is the sector's ambition to contribute to the overall food and drink industry objective to reduce the external impacts of transport by 20% by 2012 compared to 2002 by: Integrating environmental efficiency techniques in the sector's own transport operations and working with suppliers and customers to address supply chain impacts.

Delivering the industry ambition

The industry has an important role to play in tackling the impact of freight transport. Fewer miles and friendlier miles are the two main ways the direct and supply chain impacts of soft drinks transport can be reduced.

Fewer miles can be achieved by: Specifying environmental factors in freight contracts; increased integration of processing to reduce movement of ingredients and components; improved vehicle routing; increasing vehicle payloads to reduce the number of vehicle movements; working with retailers to relax just-in-time replenishment schedules to permit greater load consolidation and reducing empty running by incorporation of back-loading into vehicle routing and scheduling.

Friendlier miles can be achieved by: Using alternative fuels; flexibility of delivery and pick up times; use of telematics to help lorries navigate around congested stretches of road; improving fuel efficiency through driver training; purchasing more fuel efficient vehicles when vehicles are replaced and reinforcing a culture of safe driving in organisations.

Challenges faced

The freight transport of soft drinks is often carried out by third parties. Opportunities for the sector to reduce the impact of its freight transport are therefore limited, depending on the influence they have with suppliers and customers in this area. The need to work in partnership is essential, requiring collaboration from manufacturers, suppliers, hauliers and retailers. Reductions could also be negated by the growth in production and sales.

Rules regarding vehicle loads and delivery times are set out by national and local government. Instances of local authorities relaxing the rules have occurred, but are not widespread. Alternative fuel technologies and infrastructure are currently undeveloped so opportunities for the use of alternative fuel technologies are limited at present. Questions on the environmental benefits of fuels like biodiesel make alternative fuels even more uncertain.

Government action

BSDA has recommended that vehicle size legislation be amended to allow larger loads on certain truck routes, enabling greater volumes of products to be transported in a single journey. We understand the Department for Transport is investigating trialling this - it is vital that this is completed soon. BSDA also recommended a review of delivery time rules. With more flexible delivery times, freight movements could be tailored to periods of low congestion, potentially reducing the distances travelled by allowing more direct routes.

Measures to improve the infrastructure for alternative fuels are needed. Without this, a significant shift to such fuels is unlikely. Financial incentives such as grants and enhanced capital allowances should be considered to encourage the uptake of fuel efficient/alternative fuel vehicles. Programmes to improve driver training in fuel efficient driving techniques should also be encouraged.

Conclusion

The aims and objectives set out in the sustainability strategy have been agreed following consultation with BSDA members. All of the goals set are in line with the government's Food Industry Sustainability Strategy and align the BSDA closely with the targets set earlier in 2008 by the Food and Drink Federation.

The objectives set will no doubt present the industry with many challenges moving forward but will also provide further opportunities to innovate and adapt to the changing climate in which we now operate. A progress update will be provided in future BSDA annual reports.