who cares? who does?

SUSTAINABILITY

who cares? 6th YEAR who does?

Coca-Cola

Coca-Cola EUROPACIFIC PARTNERS

Report for Coca-Cola / 11.12.2024

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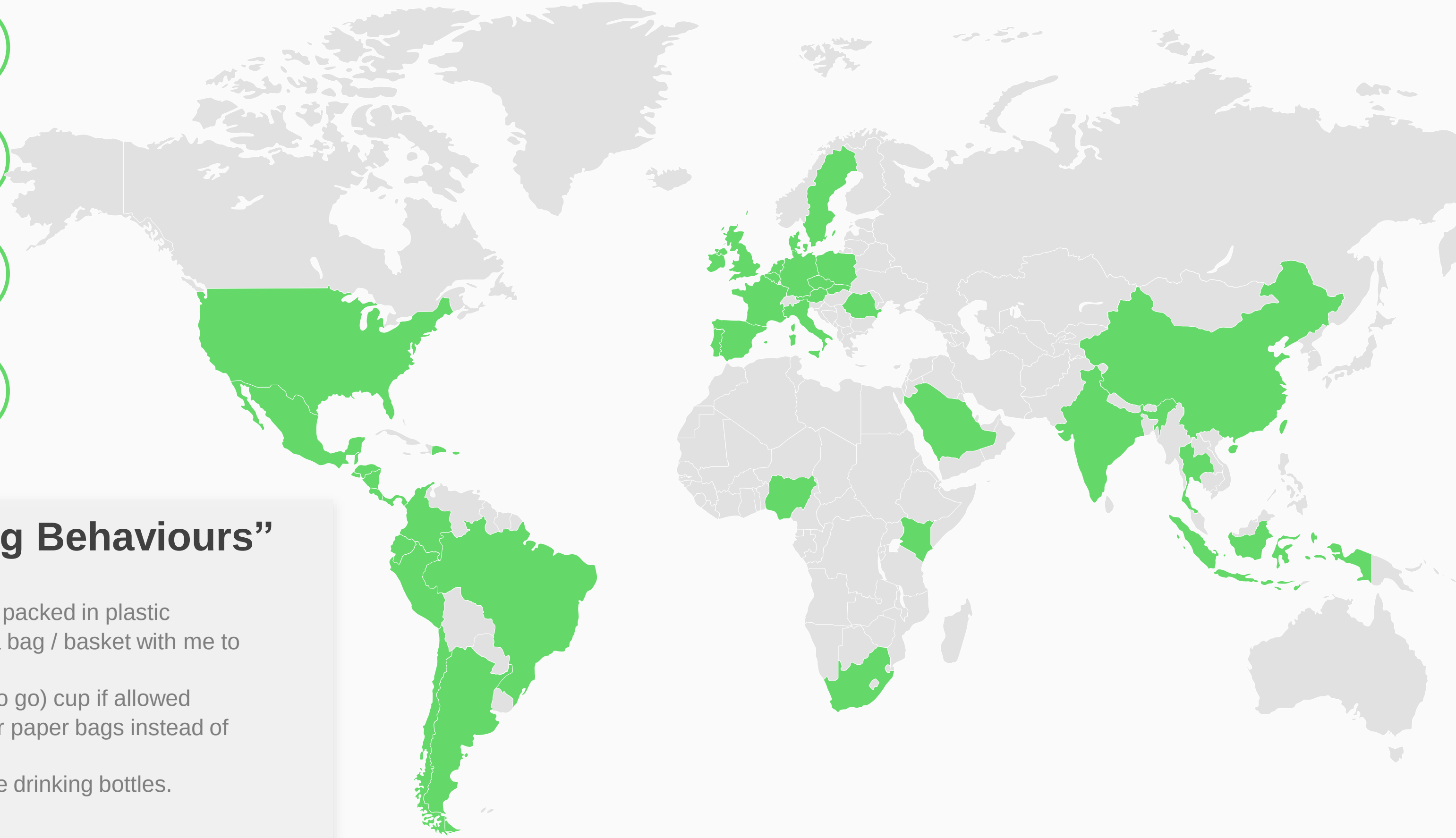
Agenda for Today (60min)

1. General Part / FMCG Behaviour	20min
2. Deepdives - CSD, RTD Tea & Active Hydr.	30min
3. Discussion	10min

- We only show highlights today, but all other charts are available and just hidden
- Please ask question in the chat

33 markets in 2024

COUNTRY	Germany
SOURCE	YouGov CP Household Panel (formerly GfK CPS)
SAMPLE	Main shopper 11.646 households
FIELD	June 2024 Online



Eco Segments, defined by 8 "Plastic reducing Behaviours"

ECO-ACTIVES

ECO-CONS-IDERERS

ECO-DISMISSERS

- When buying products, I make sure that they are not packed in plastic
- When I buy groceries and drugstore articles, I have a bag / basket with me to carry my purchases.
- When I drink hot drinks on the go, I use a reusable (to go) cup if allowed
- When buying fruit and vegetables, I use fabric nets or paper bags instead of plastic bags or pre-packed plastic
- When I go out and take drinks with me, I use refillable drinking bottles.
- I deliberately avoid buying drinks in plastic bottles
- If a refill pack is available, I will choose this
- I avoid buying plastic products in other areas of my life (e.g. kitchen accessories, toys, home decoration)

BE, CZ, DN, DE, HU, IT, NL, PL, RO, SL, SE provided by GfK - CPS

Americas, APAC, MEA and FR, GB, IE, PT, ES provided by Kantar

2024 Global Definition in report includes : BE, CZ, DN, DE, HU, IT, NL, PL, RO, SL, SE, FR, GB, IE, PT, ES, USA, AR, BR, CL, CO, PE, CN, IN, ID, TH, KE, NG, ZA, KSA

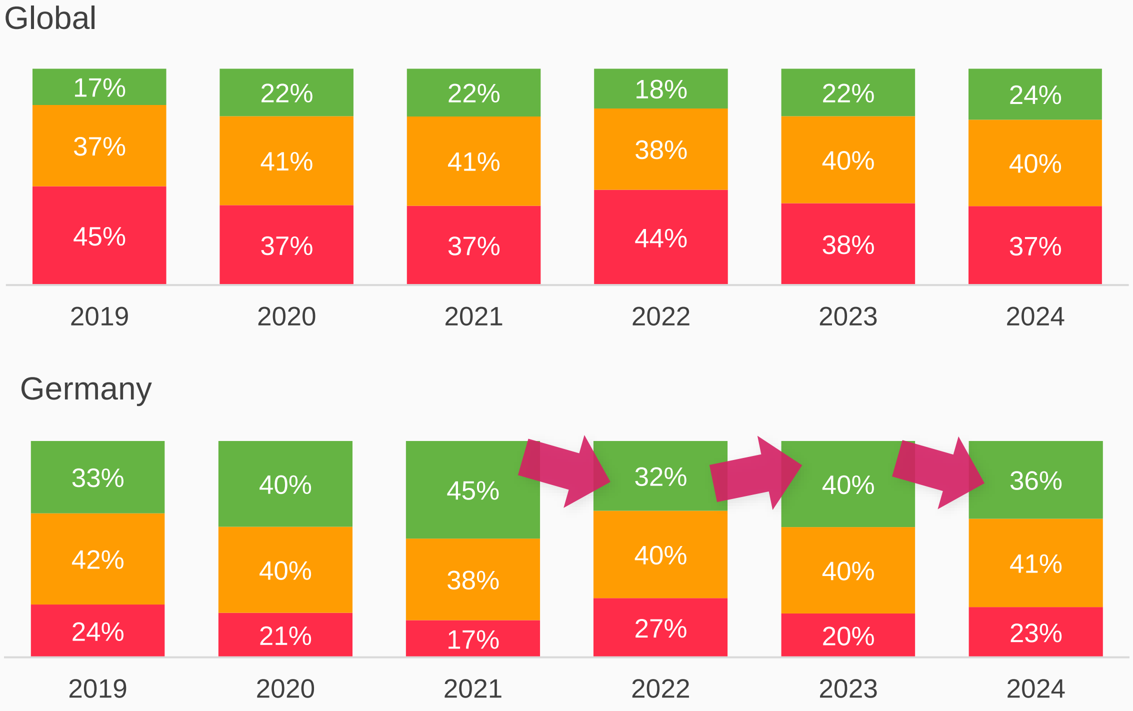
General / FMCG Part

Distribution of Eco-segments

Germany’s Eco-Active share fluctuates but stays highly above global average

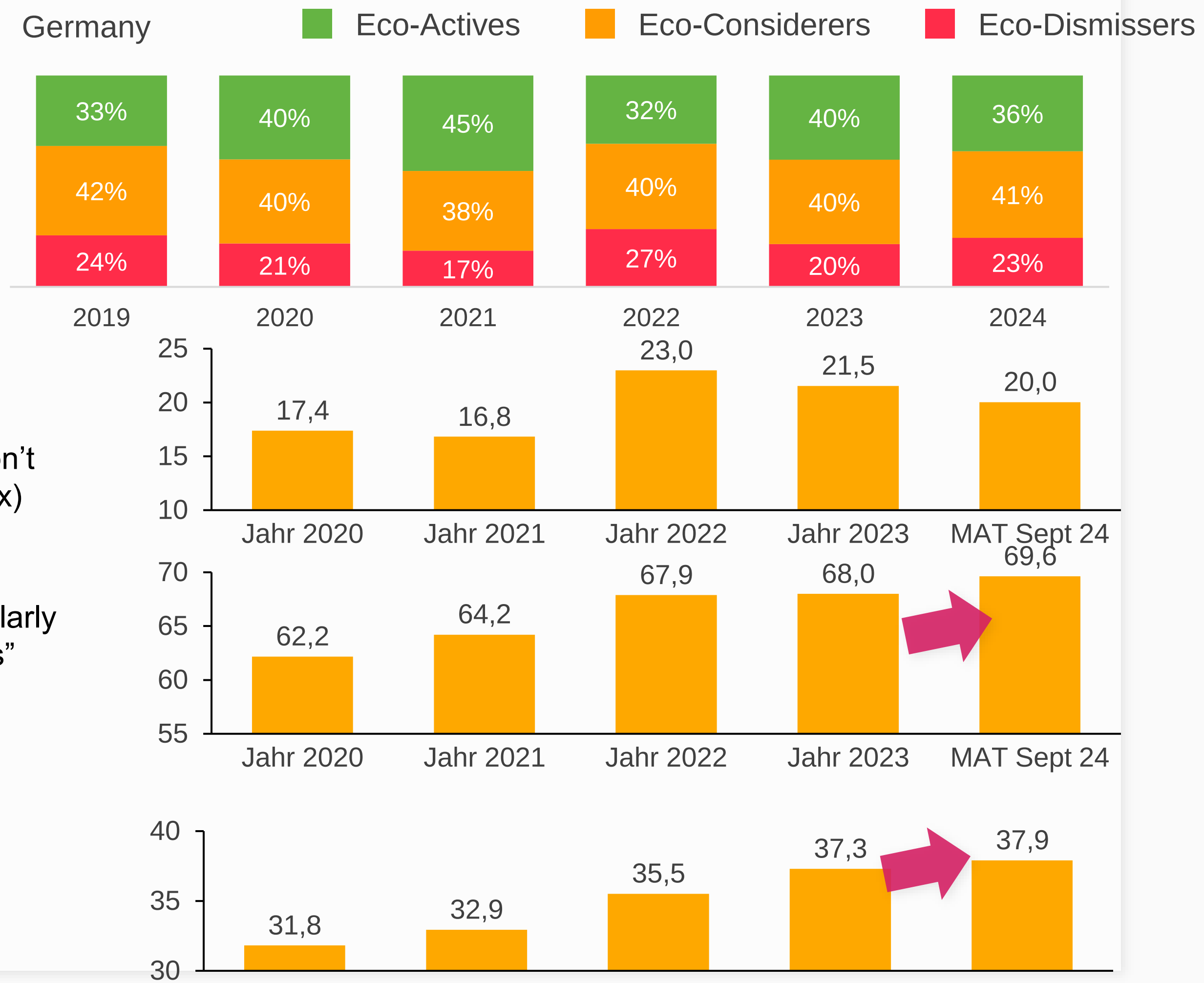
Eco-Actives   Eco-Considerers   Eco-Dismissers

% of households



Why a decrease in 2024? During a slow economic recovery, consumers still look more for promotions and have other concerns than the "ecological sphere"

Other Attitudes in Consumer Panel

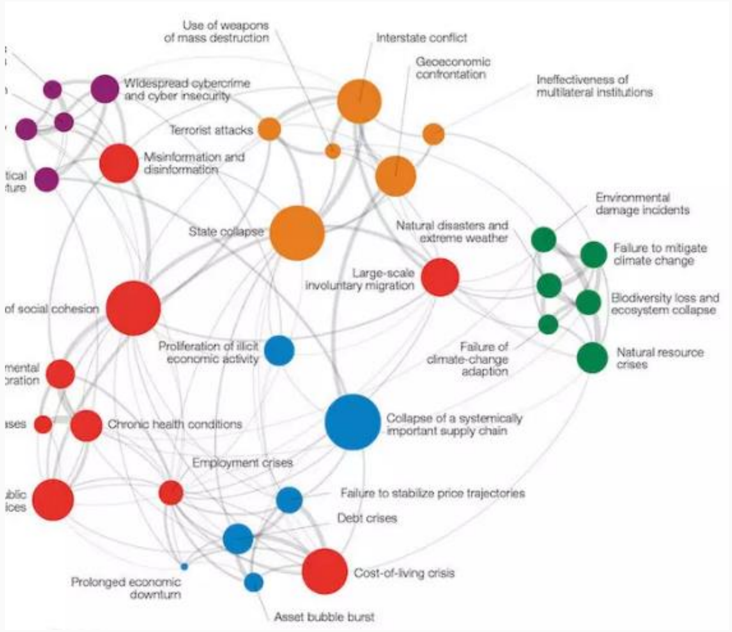


Financial Situation: "Don't have enough" (low 2box)

"Before I go shopping, I regularly check the offers of the stores"

"I receive too little credit for my efforts."

"Risk landscape"



World Economic Forum, Global Risks Report 2023

Germany: Our segmentation – Eco Types Overview

ECO-ACTIVES

Shoppers who are highly concerned about the environment and are making the most of actions to reduce their waste. They feel an intrinsic responsibility to be more sustainable, follow the topic more actively and have a greater awareness.

Spend on FMCG	€43.7 bln
FMCG Shopping Trips	2.2 bln

Usually older, more Female Shopper – Higher Social Class - 2 Person HHs – less Families, less in East Germany

ECO-CONSIDERERS

They are worried about the environment and plastic waste, at similar levels to Eco-Actives. But they are actually closer to Eco-Dismissers in how they act, not making many actions to reduce their waste. Their biggest barriers are convenience and price.

Spend on FMCG	€49.9 bln
FMCG Shopping Trips	2.5 bln

Mid aged – Mid Social Class - 3+ Person HHs – More Families

ECO-DISMISSERS

Shoppers who have little or no interest in the environment and making no steps to reduce waste. The topic rarely features amongst friends and family and they are lacking awareness of environmental concerns. They do not think they make a difference.

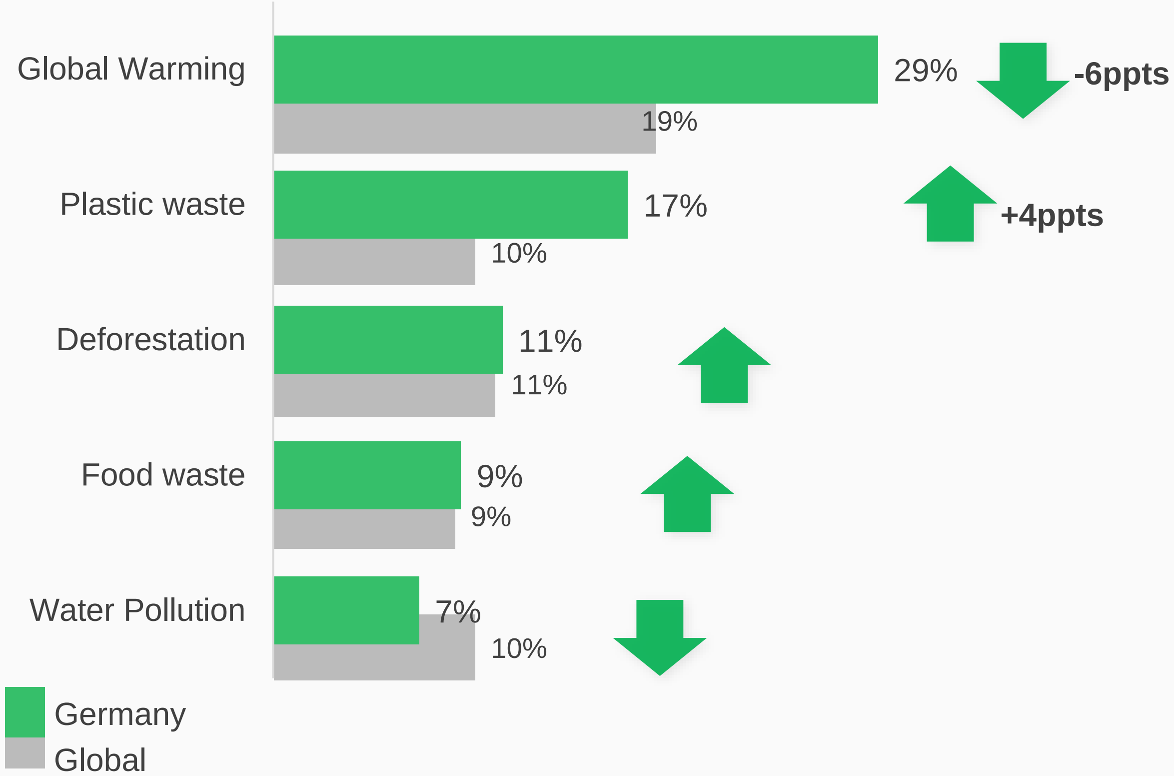
Spend on FMCG	€26.4 bln
FMCG Shopping Trips	1.4 bln

Younger and more Male – Lower Social Class - 1 Person HHs – less Families, more East Germany

Germany: Biggest concerns

Climate Changeis a much larger concern in Germany vs. Global. Plastic waste is also more prominent in the minds of Germans as is deforestation

2024 Sustainability Concern Top 5 Rank Germany

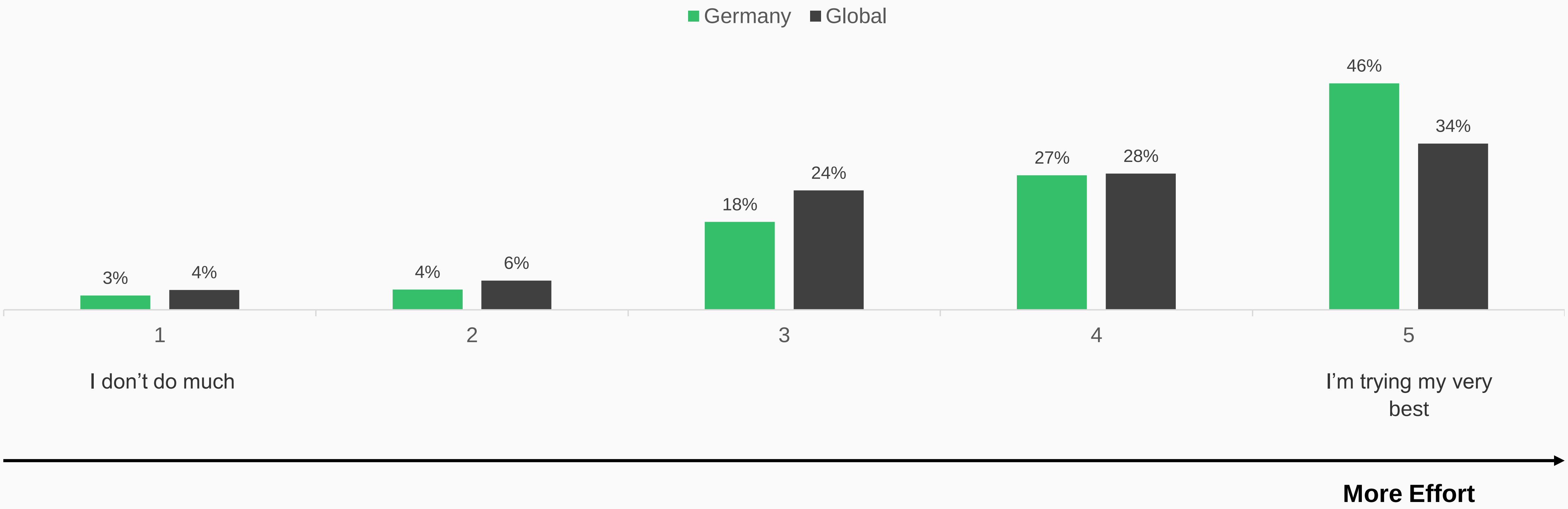


Shoppers rate their efforts high on sustainability

With nearly half of Germans, significantly more shoppers are convinced they try their best regarding sustainability efforts

How do you rate your efforts on sustainability?

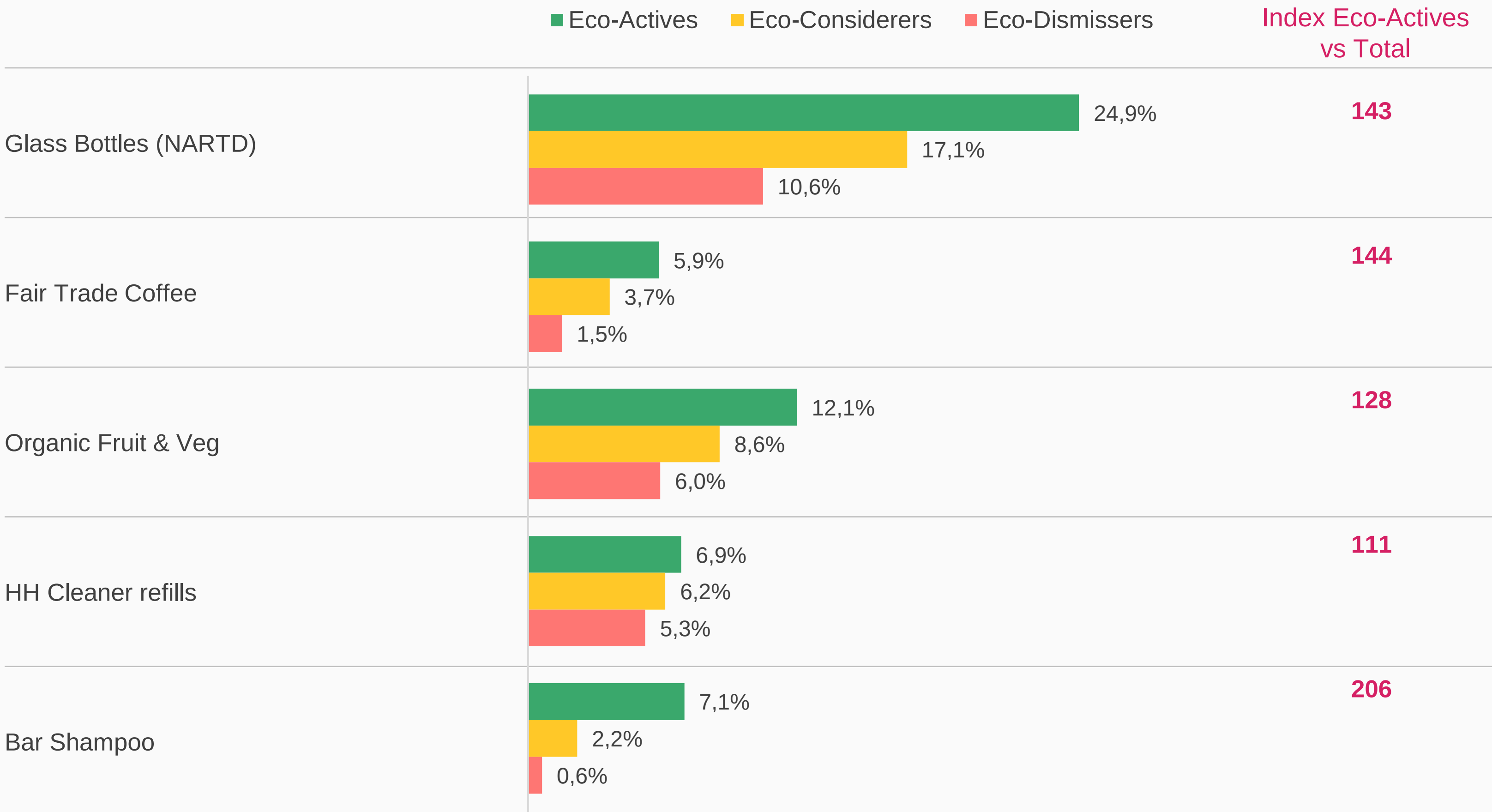
% households



When looking at purchases we see more room to improve (of course)

Even Eco-Actives usually put less than 25% of their spend in the eco option

Purchase Behaviour for selected product types, Spend share % (inside the respective category)

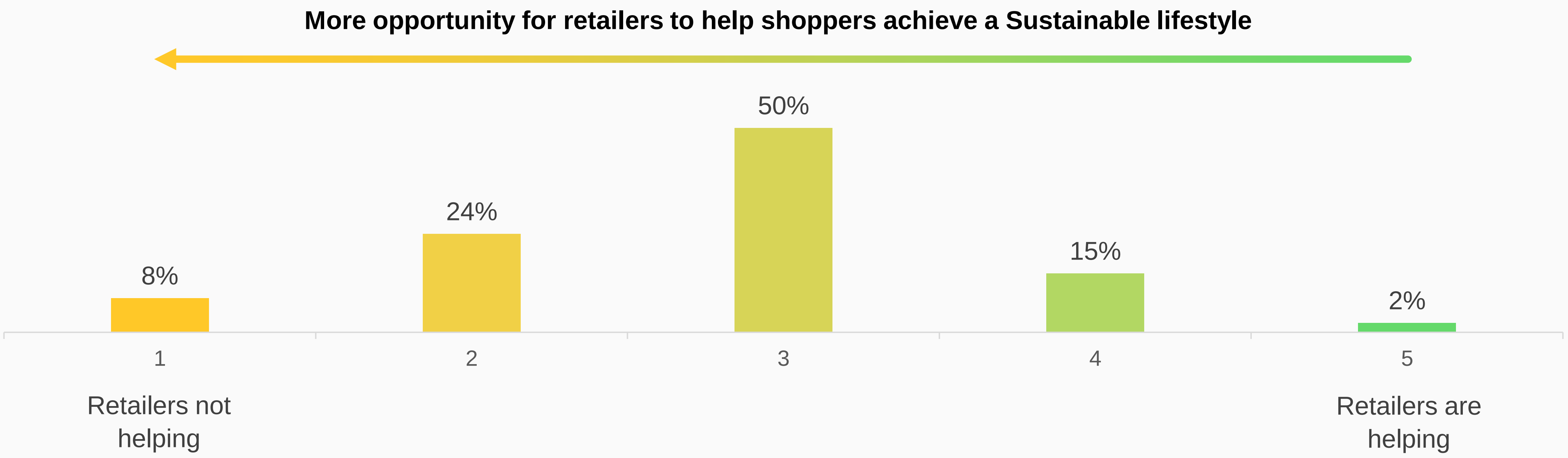


Retailers can help shoppers to achieve a sustainable lifestyle…

…but there is still lots of potential as almost a third of households in Germany feels they are (rather) not helping

How much do you feel the retailers you predominantly shop at help you achieve a sustainable lifestyle?

% households

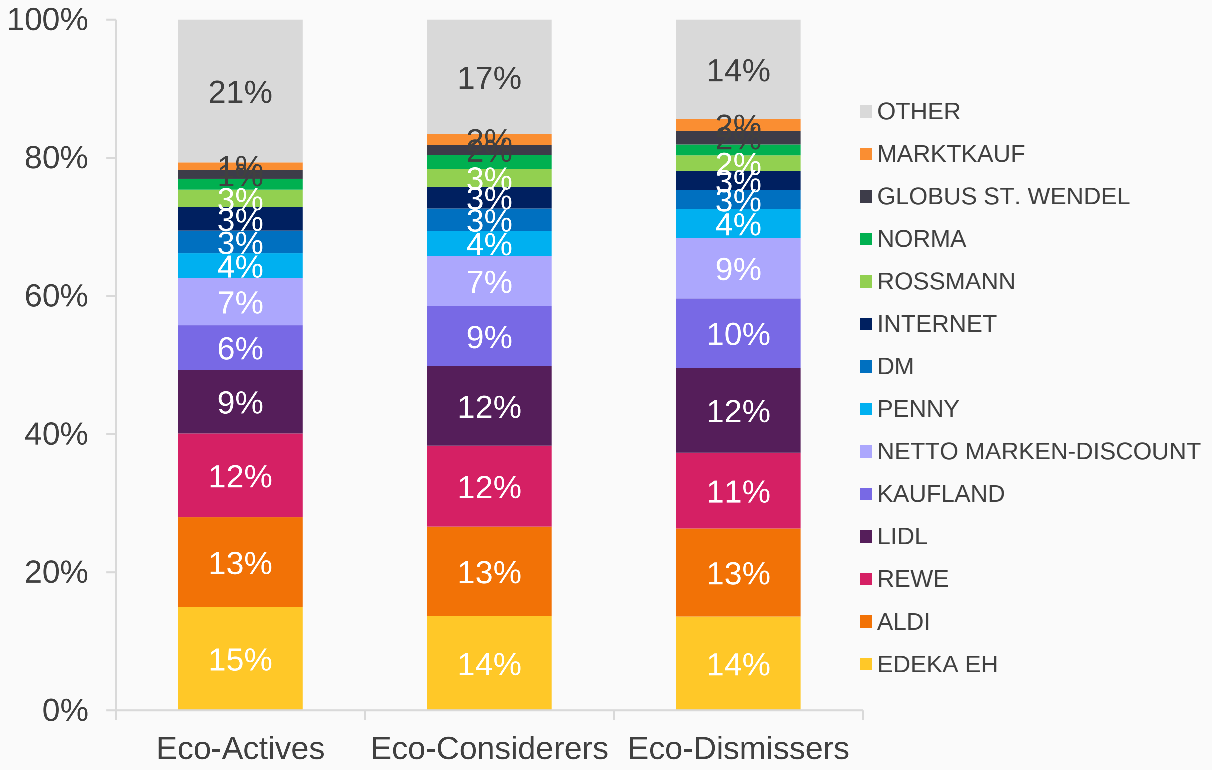


Retailer profile FMCG

For FMCG shopping German Eco-Actives show high affinities to Edeka, Rewe, Online and specialist shops

FMCG spend share % within segments

MAT Q2 2024



Eco-Actives Index vs. average shopper

MAT Q2 2024

Retailer	Eco Active Index (ranked)
OTHER	128
INTERNET	122
EDEKA EH	106
REWE	103
NORMA	102
ALDI	100
ROSSMANN	100
DM	97
PENNY	92
NETTO MARKEN-DISCOUNT	90
GLOBUS ST. WENDEL	89
MARKTKAUF	86
LIDL	80
KAUFLAND	73

Deep dive into KO Categories –

- Carbonated Soft Drinks
- RTD Tea
- Advanced Hydration

Eco-Actives are more often Mindful Greenies and Down to Earth Traditionalists, as to be expect and as in previous years

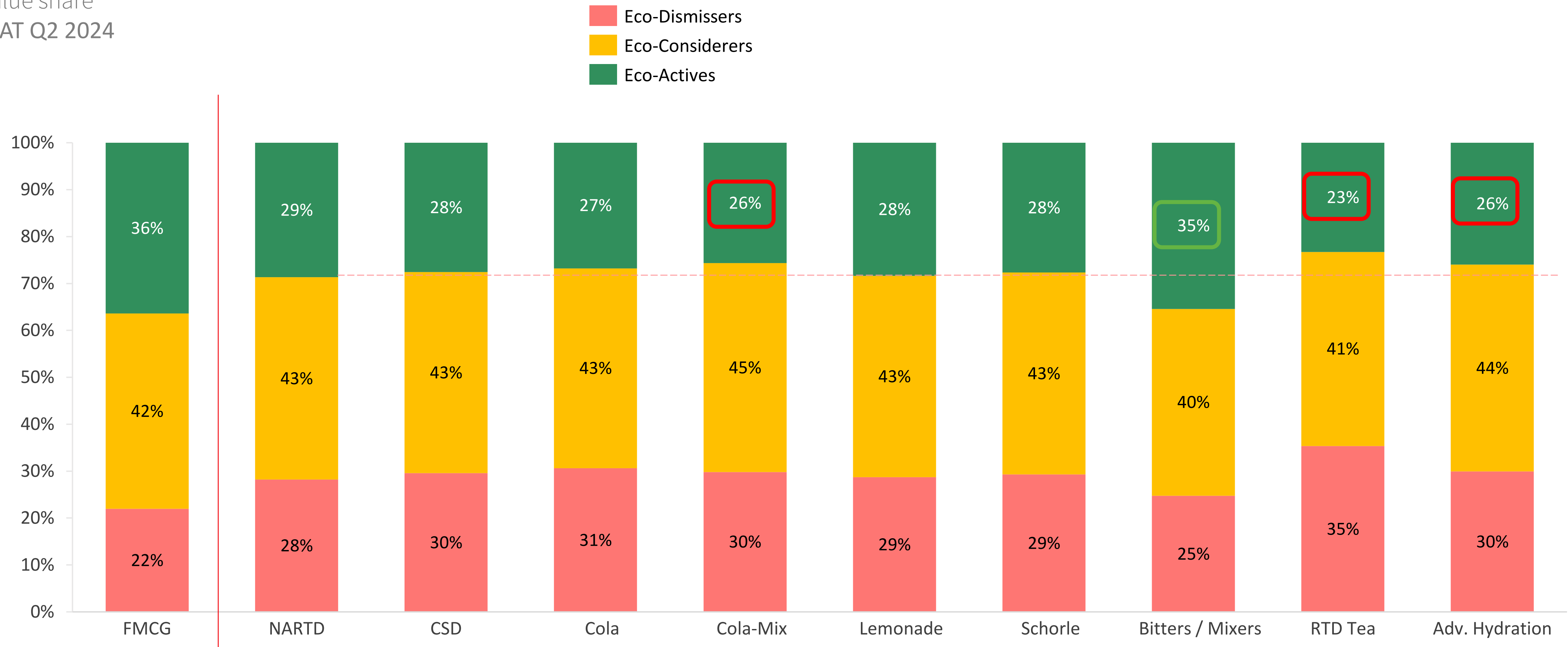
Value share
MAT Q2 2024

	Total Country	Eco Actives	Eco Considerers	Eco Dismissers
NARTD Cluster Total	**100,0**	**24,8**	**45,7**	**29,5**
Mindful Greenie	100,0	54,6	44,0	1,4
Open Minded Lifestyler	100,0	27,8	59,5	12,7
Affluent Empty Nester	100,0	32,5	52,1	15,4
Striving Mainstream Family	100,0	24,9	43,2	31,9
Down To Earth Traditionalist	100,0	39,9	36,8	23,3
Non-Critical Budgeter	100,0	13,3	35,7	51,0
Thrifty Seniors	100,0	29,1	52,6	18,4

DE GfK Consumer Panel CP+ 2.0 FMCG, MAT June 24

Segment preferences – Eco Actives have a slight preference towards Bitters - less Cola-Mix and especially RTD Tea and Active Hydration (!)

Value share
MAT Q2 2024



Overview - Eco-Segments in ….

Carbonated Soft Drinks

	CAT Value Share (Index vs NARTD)	Key focused Channel	Pack type Pref.
Eco Actives	28% (Index **96**)	Supers, GAM	More Glas and PET RR
Eco Considerers	43% (Index 99)	Rather average	Rather Average
Eco Dismissers	30% (Index 105)	Discount, Hyper	More Cans and PET NR

RTD Tea

	Cat. Value Share (Index vs NARTD)	Key focused Channel	Pack type Pref.
Eco Actives	23% (Index **81**)	Supers and Discount	More PET RR and Glas
Eco Considerers	41% (Index 96)	More Hyper (and Online)	Rather Average
Eco Dismissers	35% (Index 125)	Discount (and GAM)	More Carton and Glas

Active Hydration

	Cat. Value Share (Index vs FMCG)	Key focused Channel	Pack type Pref.
Eco Actives	25% (Index **86**)	Supers and GAM	More Glas
Eco Considerers	46% (Index 106)	More Discounter	More PET NR
Eco Dismissers	30% (Index 105)	More Hyper and Online	More PET NR

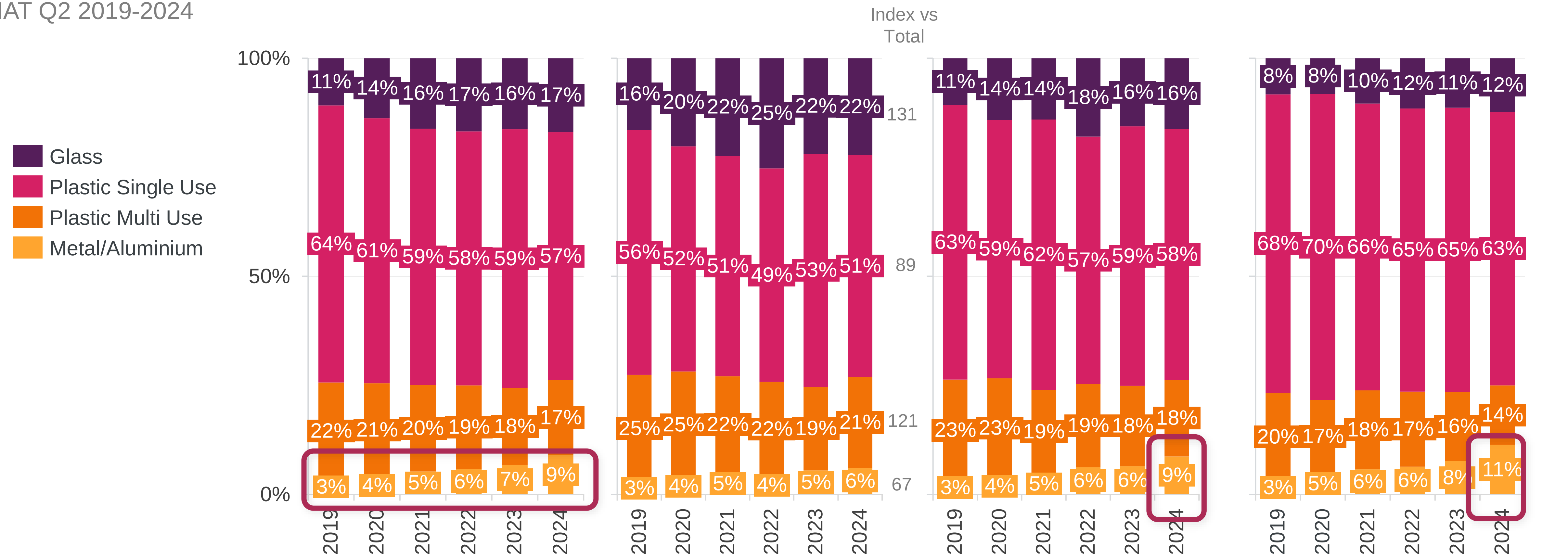
Based all on MAT Q2 2024

- Carbonated Soft Drinks

While can formats also increase among Eco-Actives (but below average), the share of glass stagnated in 2024.

CSD	ALL SHOPPERS	ECO-ACTIVES	ECO-CONSIDERERS	ECO-DISMISSERS

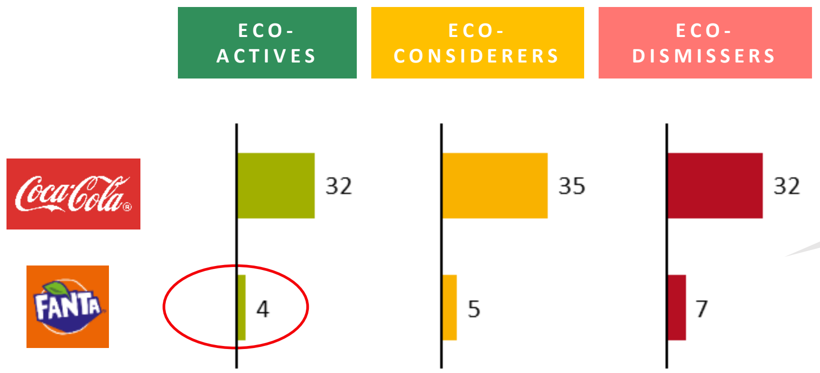
Carbonated Soft Drinks Format preference – value share
MAT Q2 2019-2024



Remark on Share Calculations

A. “Horizontal Share” in %

What is the value share of the brand within the three Eco-Segments?

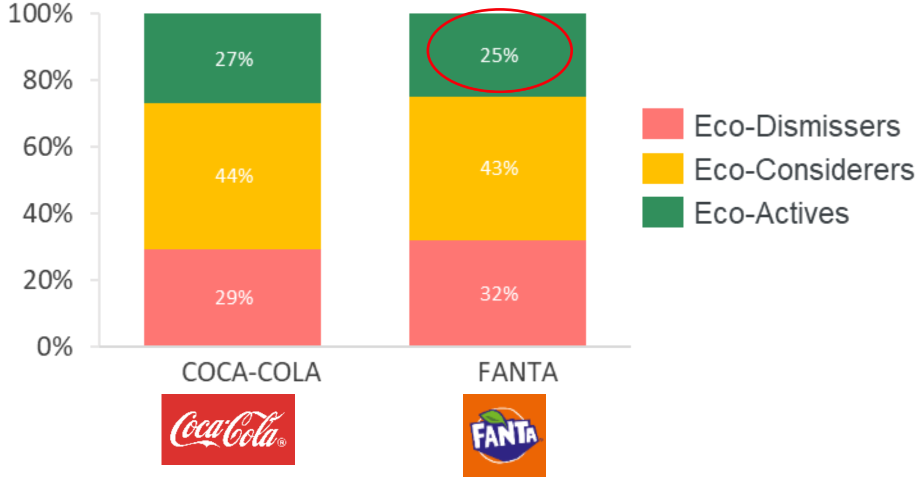


Fanta has a market share of 4% within Eco-Actives

The Eco-Actives make 25% of Fanta sales

B. “Vertical Share” in %

What is the value share of the Eco-Segments for each brand?



Additional Index:

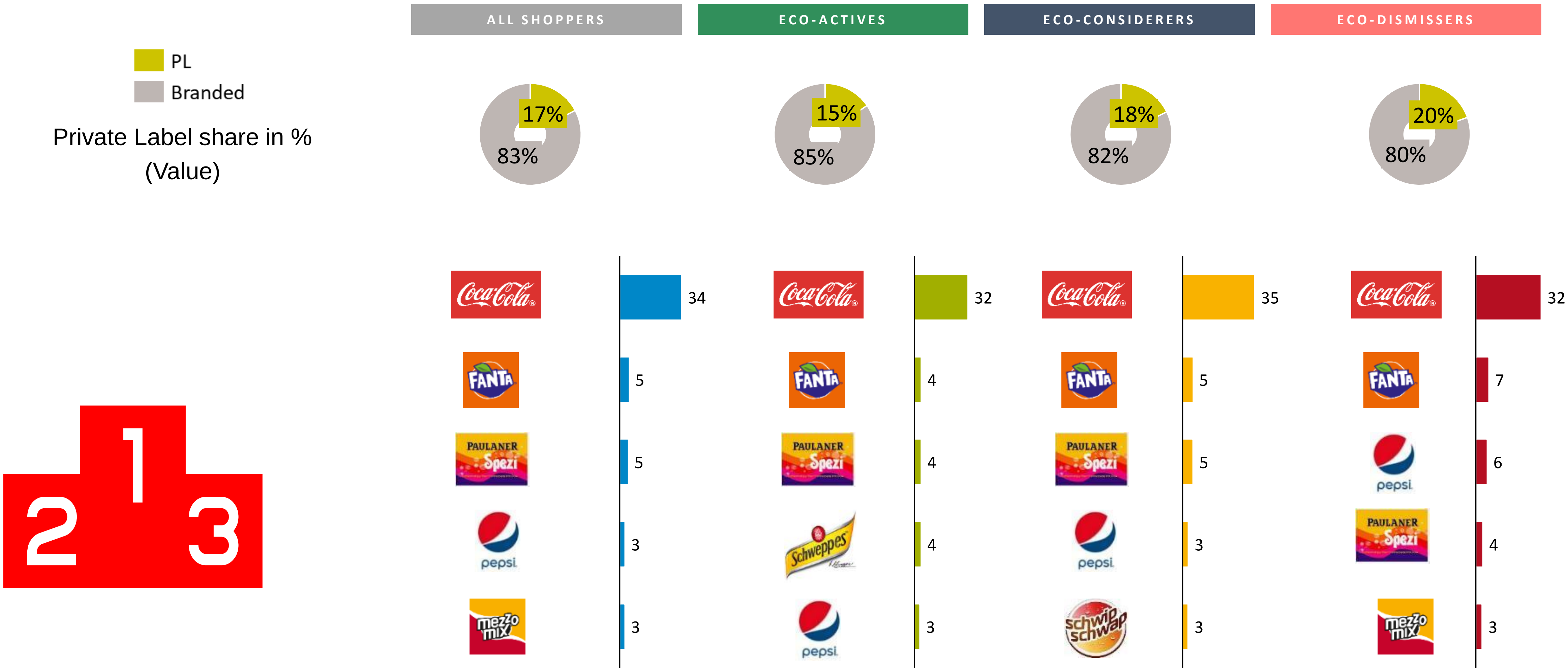
Market share in Eco-Actives vs Market Share in Total:
4,2% / 5,3% x 100 = **Index 79**

Eco-Actives share for Brand vs Category CSD:
25% / 28% x 100 = **Index 90**

Eco-Actives have lower affinity to Fanta!

Based on horizontal shares (A), we see small differences for the top 5 brands in 2024. Paulaner is now Top 3, Coke and Fanta stable No 1 and 2 across all groups

Brand Affinity CSD - MAT Q2 2024



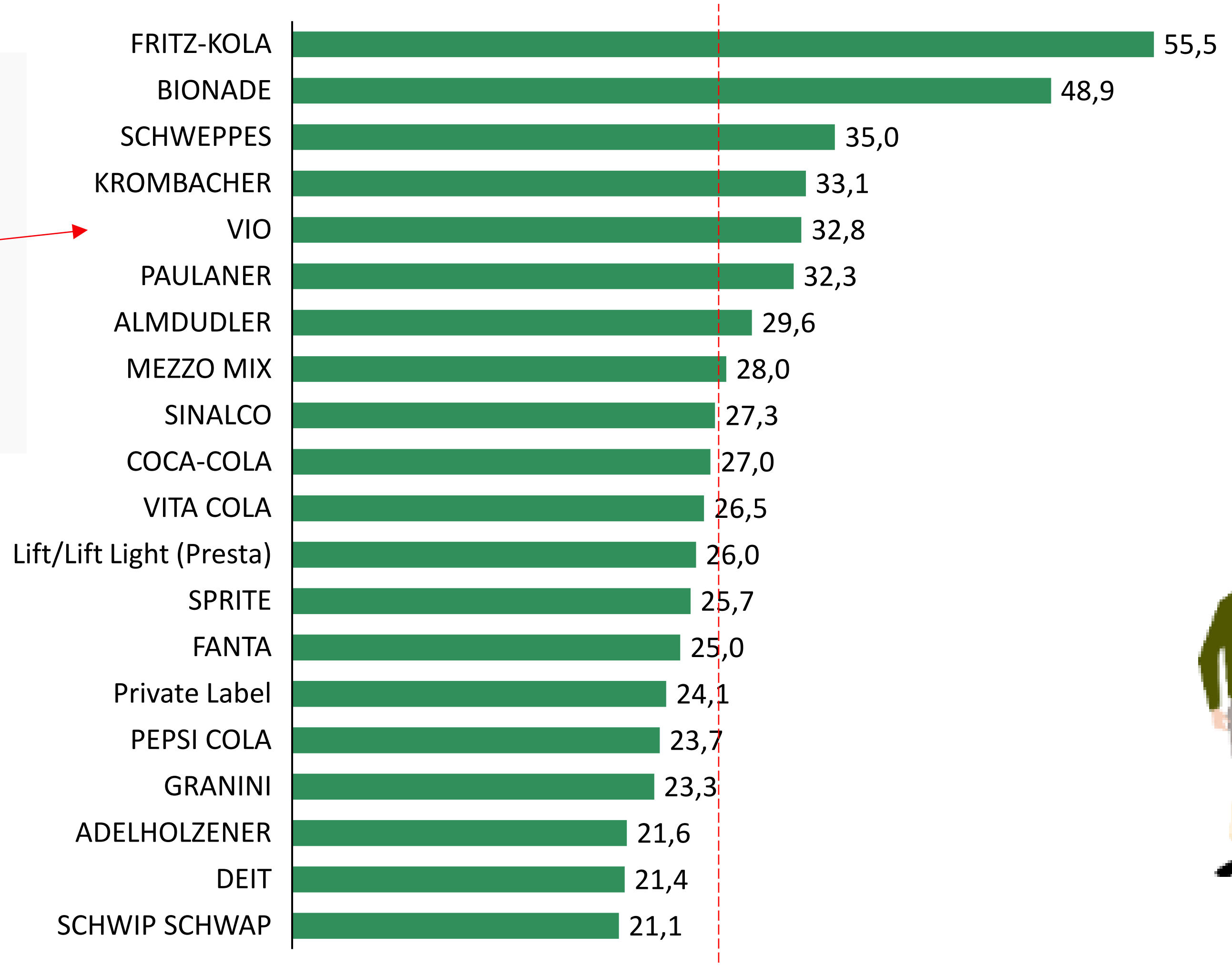
Source: GfK Consumer Panel DE

Ranking by Share of Eco Actives – Bionade and Fritz Kola with highest Eco Active shares

WHO CARES?
WHO DOES?

Value share of Eco Actives within CSD brands

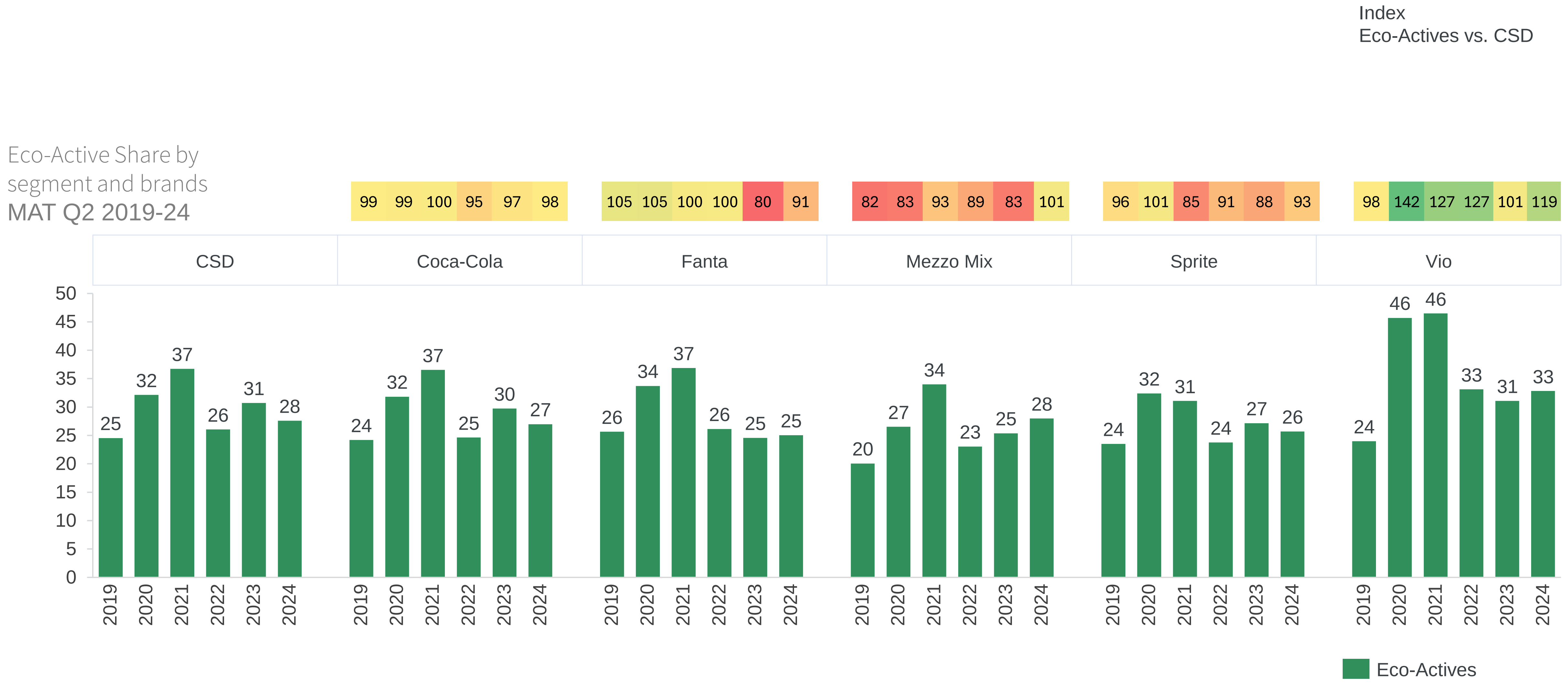
MAT Q2 2024



Eco-Actives have a value share of 55.5% within the

Eco-Active share among CSD declined. All KO brands have improved their relative share, especially Vio and Mezzo Mix.

WHO CARES? WHO DOES?



*) Low Sample

Eco-Active shares within brands

WHO CARES? WHO DOES?

Fanta improved its Eco-Active share via glass, PET RR, promotions and through GAM

FANTA	Eco Active Index vs Cat. MAT Jun 23	Eco Active Index vs Cat. MAT Jun 24
FANTA	**80**	**91**
Glas	106	162
PET EW	77	80
PET MW	93	123
Dose	66	71
Promo	79	94
Nonpromo	81	88
Supers	80	88
Hypers	85	70
Discounters	78	83
GAM	97	245
Online	72	41

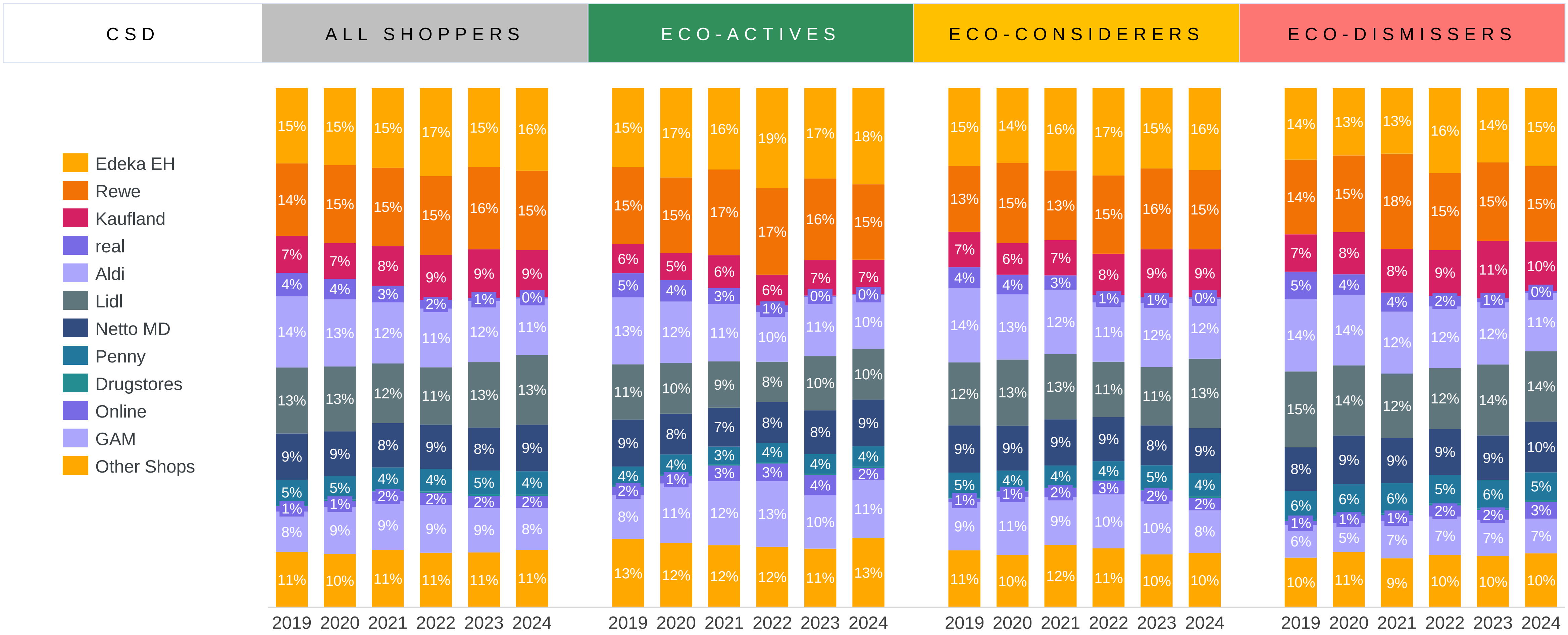
Mezzo Mix grows through glass, PET NR and better reach of Eco-Actives in hypermarkets and discounters

MEZZO MIX	Eco Active Index vs Cat. MAT Jun 23	Eco Active Index vs Cat. MAT Jun 24
MEZZO MIX	**83**	**101**
Glas	154	201
PET EW	77	103
PET MW	89	90
Dose	43	73
Promo	85	86
Nonpromo	81	112
Supers	83	117
Hypers	45	71
Discounters	78	104
GAM	152	75
Online	59	86

Longterm Development of Retailers in CSD

WHO CARES? WHO DOES?

Retailer Value share within segment Carbonated Soft Drinks
MAT Q2 2019-2024



In Eco Actives, Edeka, Netto and GAM gained, while Rewe, Aldi and ecom lost share in this group!

WHO CARES?
WHO DOES?

Eco-Active Index (Retailer vs CSD)
MAT Q2 2019-2024

	2019	2020	2021	2022	2023	2024
Edeka EH	104	116	102	114	115	116
Rewe	107	97	109	110	99	95
Kaufland	78	75	83	68	73	73
Aldi	94	91	94	84	97	95
Lidl	84	78	77	70	83	73
Netto MD	101	91	88	93	101	99
Penny	75	87	77	84	84	91
Online	150	129	158	145	164	98
GAM	109	127	131	137	120	138
Other Shops	124	120	109	111	107	121

Rewe – decrease in PET RR and growth of Cans – while in Edeka, PET RR is stable

Netto – Via PET RR and Glass

Ecom – in 2024, increase of cans, PET NR and especially promo

Sample size ecom: ca 400 buyers

- RTD Tea

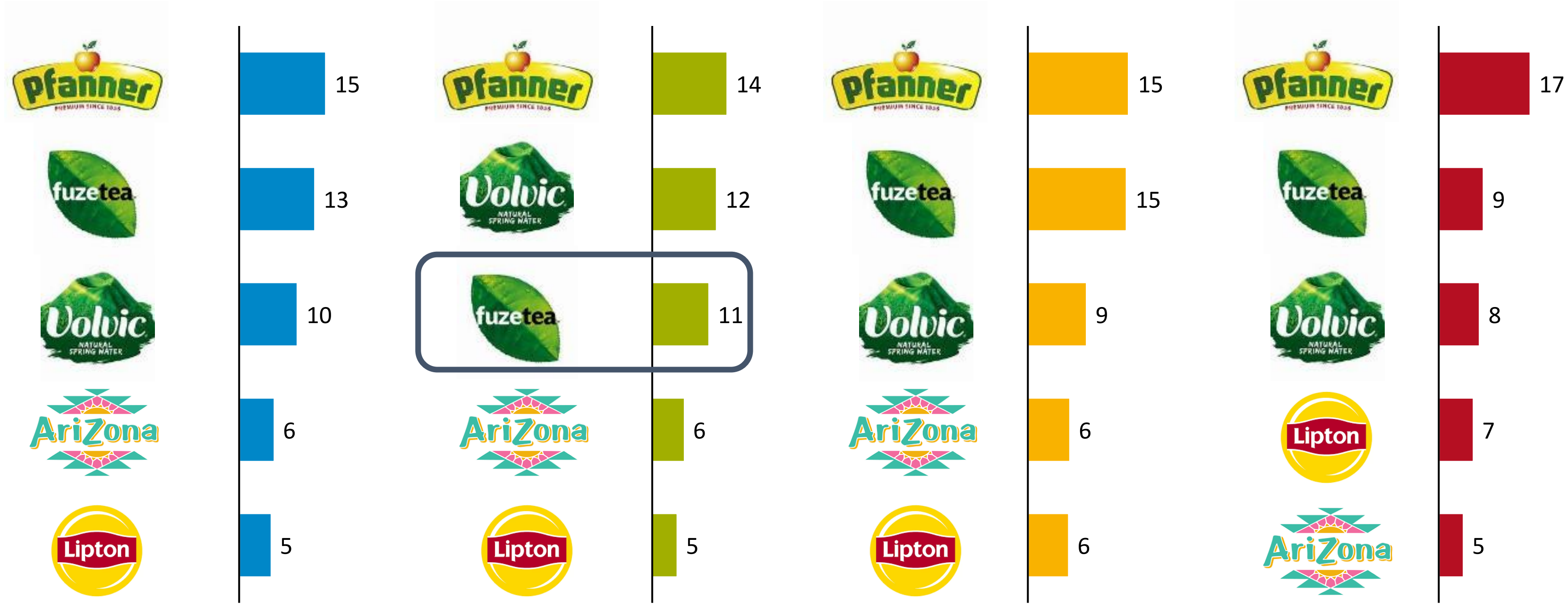
Based on horizontal shares (A), we only see small differences for the top brands. Fuze Tea is stronger among Considerers, while Volvic is a highly relevant brand for Eco-Actives.

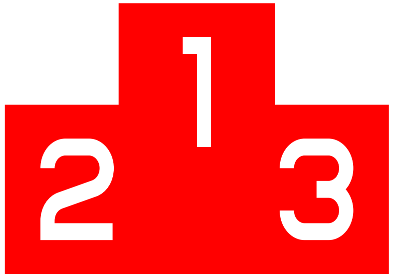
Brand Affinity RTD Tea - MAT Q2 2024

ALL SHOPPERS	ECO-ACTIVES	ECO-CONSIDERERS	ECO-DISMISSERS

PL
Branded

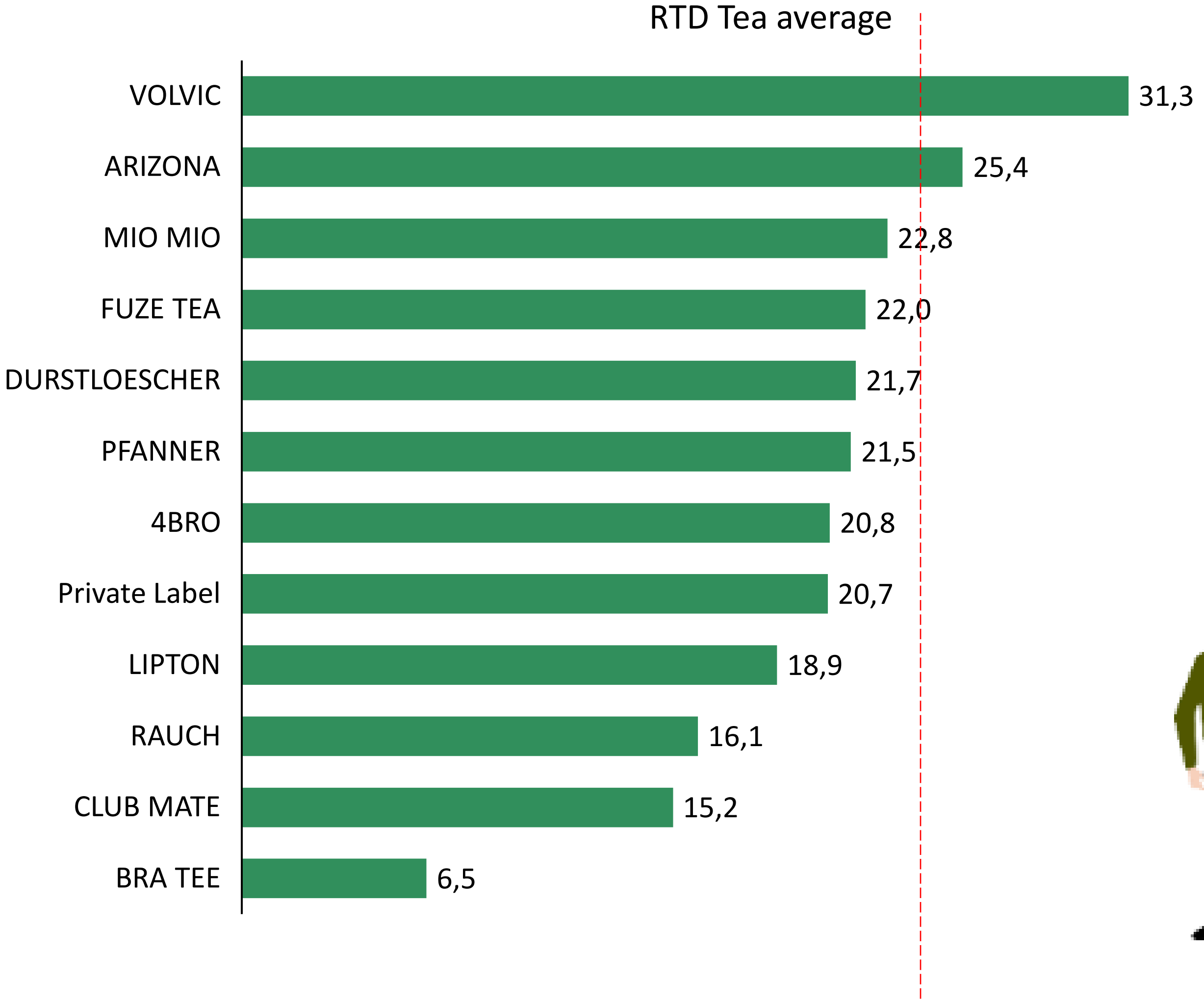
Private Label share in %
(Value)





Ranking by Share of Eco Actives – Volvic, Arizona and Mio Mio with highest share of Eco Actives, followed by Fuze Tea!

Value share of Eco Actives within RTD Tea brands
MAT Q2 2024



Why is Fuze Tea declining in Eco-Active index?

	Eco Active Index vs Cat. MAT Jun 23	Eco Active Index vs Cat. MAT Jun 24	Value share inside the brand MAT Jun 23	Value share inside the brand MAT Jun 24	Diff in ppts
FUZE TEA	**88**	**64**	**9,3**	**12,8**	**3,5**
Glas	230		0,6	0,3	-0,2
PET EW	87	65	99,4	99,7	0,2
Promo	66	49	33,4	32,6	-0,8
Nonpromo	97	72	66,6	67,4	0,8
Supers	87	65	42,7	40,3	-2,3
Hypers	70	51	9,5	15,7	6,2
Discounters	93	79	40,6	34,8	-5,8
GAM	173	49	0,8	1,8	1,0
Online	42	7	2,7	3,0	0,3

Split of brand into:

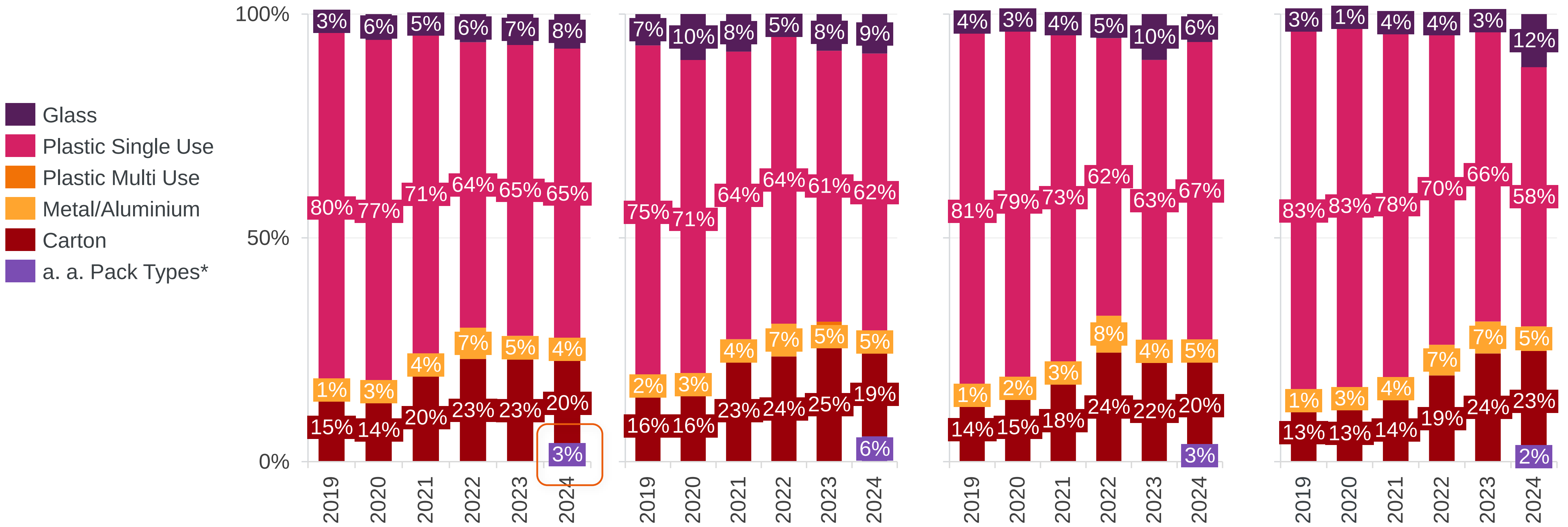
Fuze Tea is attracting less Eco-Actives through discounters, due to losses at Aldi and wins at Lidl. Lidl shoppers tend to be Eco Dismissers!

For Fuze Tea, we see a clearly higher share for Hypermarket (Kaufland). As Hypers appeal less to Eco-Actives, the Eco-Active index of Fuze Tea decreases.

Slight increase of "all other" packs (Bubble tea cups), Carton strongly increased in 2021

RTD Tea	ALL SHOPPERS	ECO-ACTIVES	ECO-CONSIDERERS	ECO-DISMISSERS

RTD Tea Format preference – value share
MAT Q2 2019-2024



*Bubble Tea

- Advanced Hydration – aka Sport Drinks

Prime now second strongest brand in Advanced Hydration.
Based on absolute shares, Powerade is strongest among Eco Dismissers.

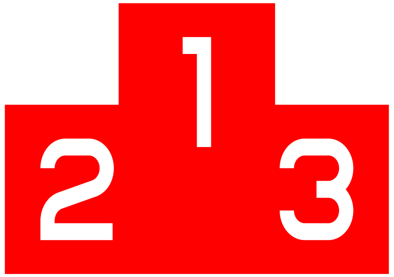
Brand Affinity Advanced Hydration - MAT Q2 2024

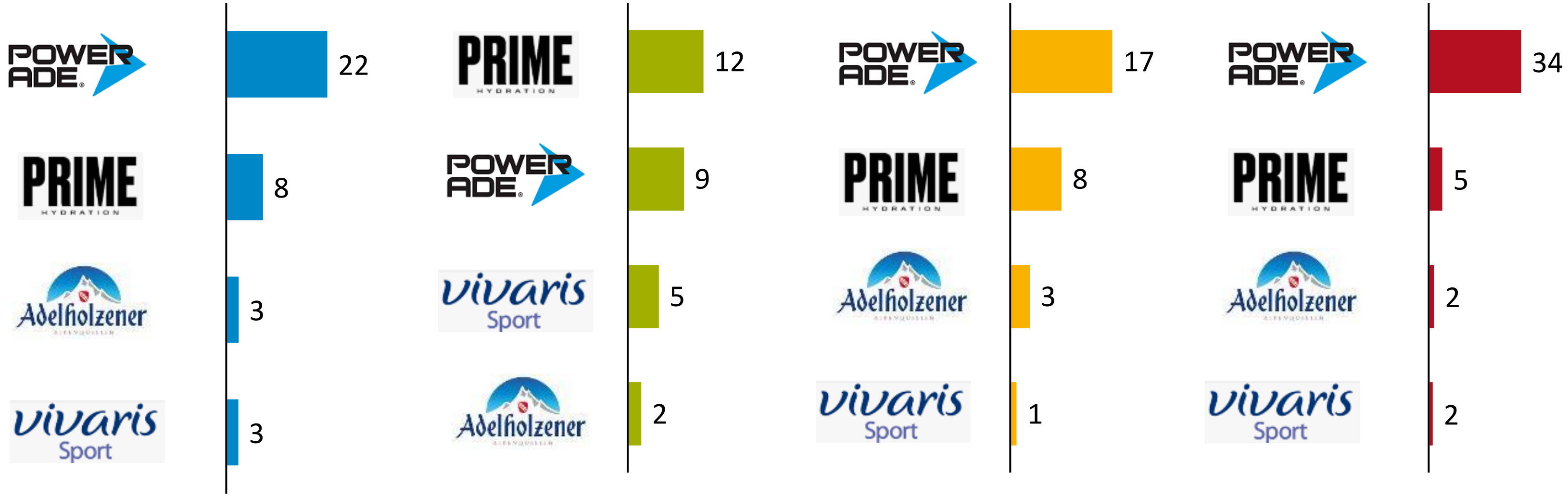
ALL SHOPPERS | ECO-ACTIVES | ECO-CONSIDERERS | ECO-DISMISSERS

PL
Branded

Private Label share in % (Value)

Partially very low sample size!





Source: GfK Consumer Panel DE

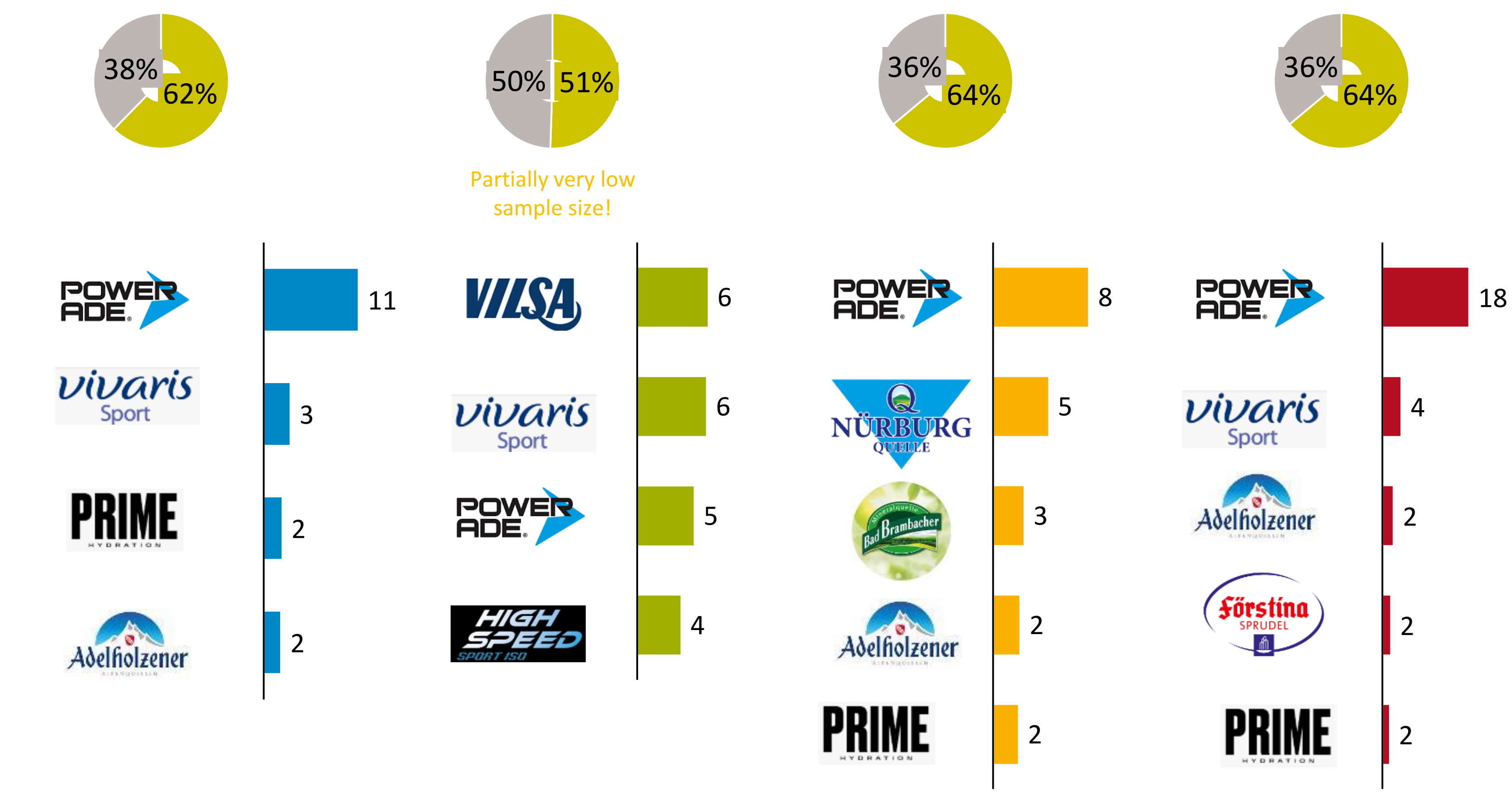
In volume, Prime is much less relevant, some small local competitors get higher in the list as relatively cheap (and PL!) – Powerade still stronger in Considerers & Dismissers

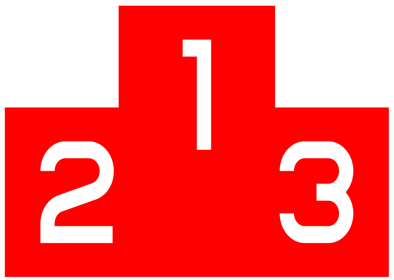
Brand Affinity Advanced Hydration - MAT Q2 2024

ALL SHOPPERS	ECO-ACTIVES	ECO-CONSIDERERS	ECO-DISMISSERS

PL
Branded

Private Label share in % (Volume)





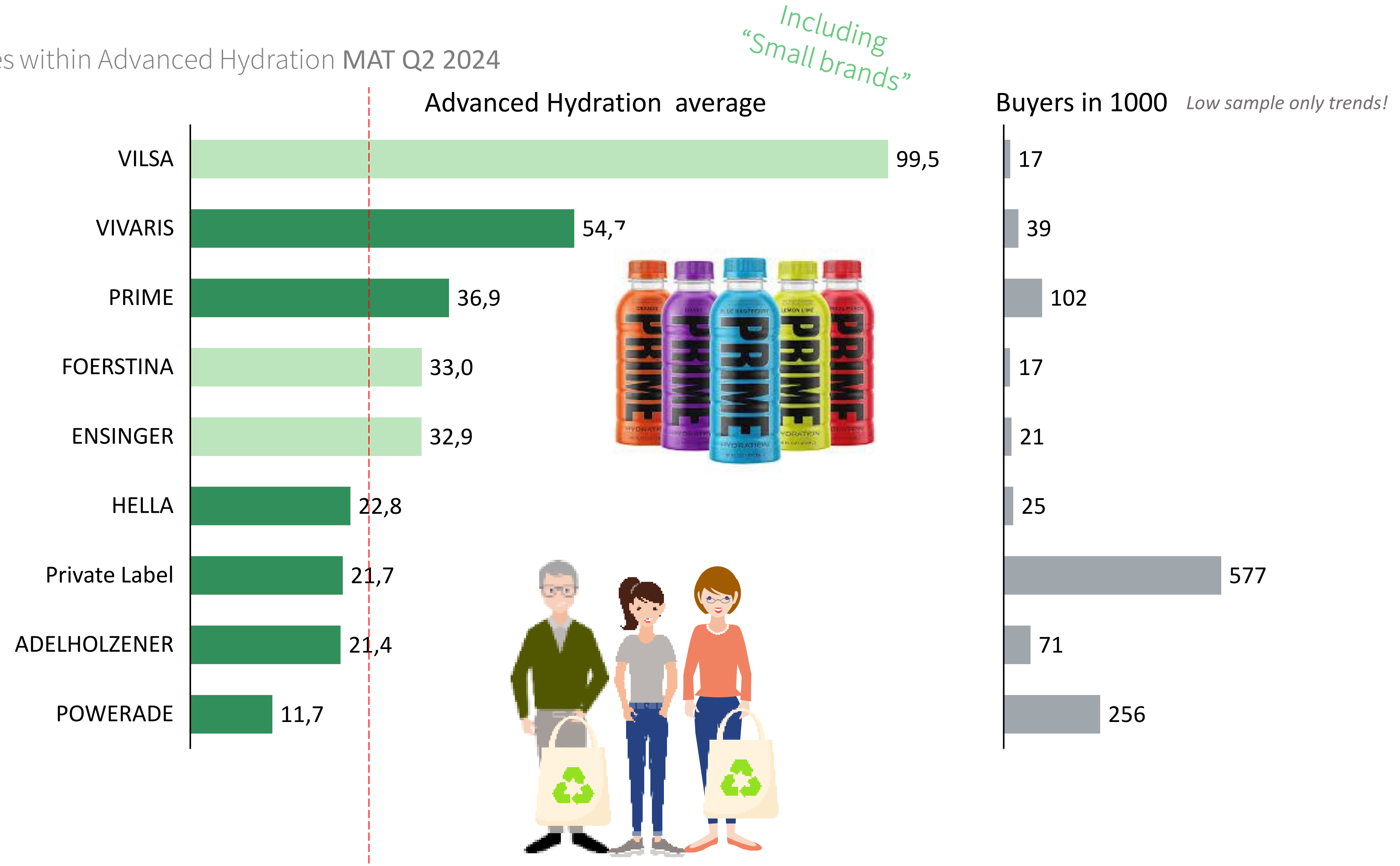
Source: GfK Consumer Panel DE

Ranking by Share of Eco Actives – Some are above average, but also Prime (higher price and Supermarkets)

WHO CARES? WHO DOES?

Brand Value share for Eco Actives within Advanced Hydration **MAT Q2 2024**

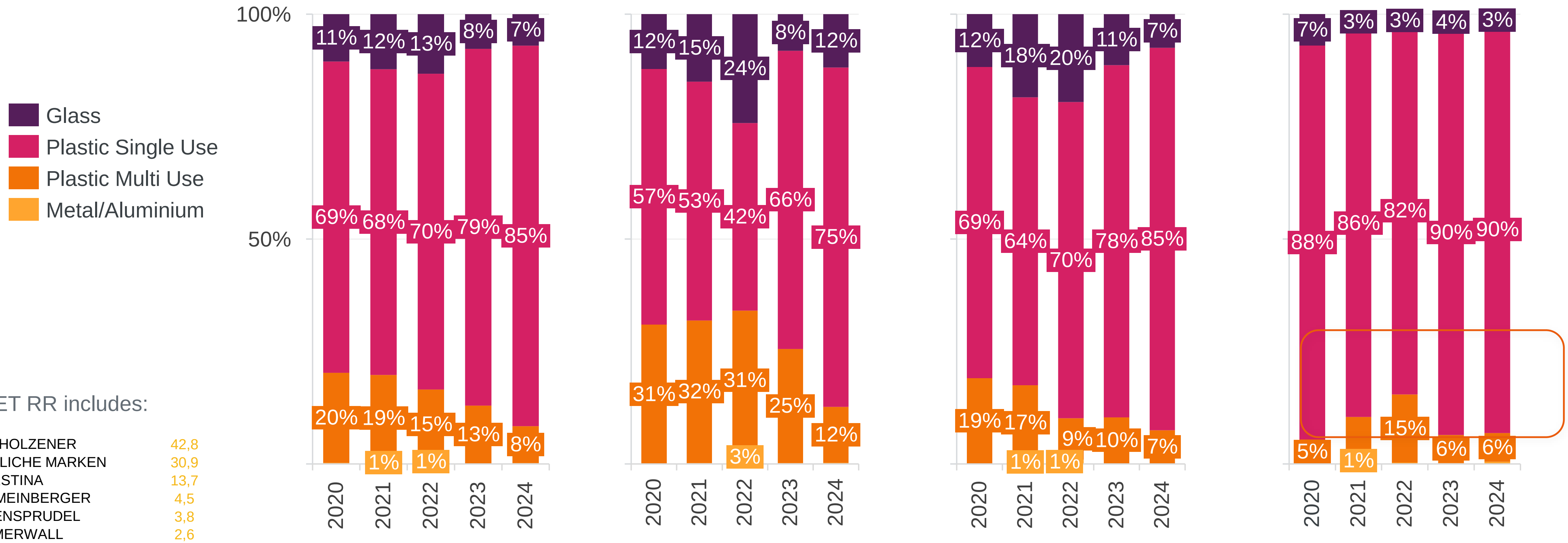
Local, sometimes a bit more natural appeal = attracts Eco-Actives



Mostly single use Plastic in Active Hydration and further increasing. Glass only increases share among Eco Actives.

Adv Hydration	ALL SHOPPERS	ECO-ACTIVES	ECO-CONSIDERERS	ECO-DISMISSERS

Advanced Hydration Format preference – value share
MAT Q2 2020-2024



PET RR includes:

ADELHOLZENER	42,8
RESTLICHE MARKEN	30,9
FOERSTINA	13,7
BAD MEINBERGER	4,5
RHOENSPRUDEL	3,8
ROEMERWALL	2,6

- Summary and Discussion

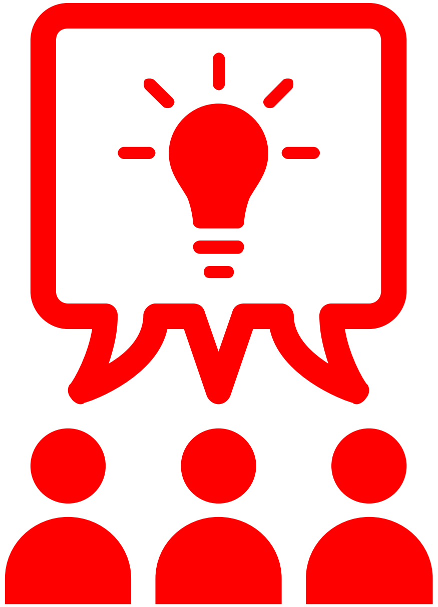
Implications / Food for Thought WCWD 2024

who cares? who does?

- Eco-Actives declining again in 2024 – stagnating economy and "polycrisis" → can Coca-Cola influence shoppers? How to improve optimism?

- Only small changes in pack mix – Can is growing despite low index in Eco-Actives → connect Eco with Convenience?

- Extremely difficult to play sustainability in RTD Tea and Active Hydration → concepts of more sustainable products also in these categories (and broader than Honest Tea)?



What Questions do you have?

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