

City of Toronto
Budget Committee
100 Queen Street West
Toronto, ON, M5H 2N2

February 12, 2015

RE: 2015 Water and Wastewater Rates and Service Fees

Dear Mr. Chair,

Coca-Cola Refreshments Canada appreciates the opportunity to share our perspective on the proposed eight per cent water and wastewater consumption rate increases for 2015-2017. At Coca-Cola, we believe in responsibly participating in the political process to help promote reasonable policies that allow our company to compete on a level playing field and have a positive impact on the communities we serve.

About Coca-Cola in Toronto:

Coca-Cola in Canada operates in all ten provinces, and employs 6,300 people in more than 50 facilities, including seven production facilities across Canada. We offer a wide variety of beverage brands, many of which come in no-calorie and low-calorie options. These beverages include sparkling soft drinks, still waters, juices and fruit beverages, sports drinks, energy drinks and ready-to-drink teas. We're proud to offer some of the most popular brands in Canada including Coca-Cola®, Diet Coke®, Coca-Cola Zero®, Sprite®, Fanta®, Nestea®, PowerAde®, Minute Maid®, Dasani® and vitaminwater®. Coca-Cola in Canada is represented by Coca-Cola Refreshments Canada and Coca-Cola Ltd. For more information about our Company, please visit our website at www.livepositively.ca or www.cocacola.ca.

Coca-Cola has been bottled and sold in Toronto for more than 100 years. We opened our first plant on Bellwoods Avenue in 1906. We operate two facilities in Toronto, including one manufacturing plant as well as our national head office. Our products add value to thousands of Toronto businesses that proudly sell our beverages, from family restaurants and convenience stores to supermarkets, arenas, public buildings, universities, hospitals and movie theatres. Our company purchases hundreds of millions of dollars of Ontario goods and services annually, spurring economic activity across the province and the city. Toronto is an important market for Coca-Cola, and we are an important part of Toronto's economy.

Treating and Recycling Wastewater:

Water is vital to communities, to the economy, to the world and to our business. We respect the human and ecological need for water. We're always working to conserve the amount of water we use in the production of our products. To ensure we continue to make a positive impact on people, communities and the environment over time, we are embedding sustainability into our business and making it a part of everything we do.

At Coca-Cola, our goal is to 'give back' an amount of water equivalent to what we use in all of our products and their production by 2020, at a level that supports aquatic life. To achieve this water stewardship goal, we are focusing on three things:

1. Improving water-use efficiency by 25 per cent by 2025
2. Treating all wastewater from our manufacturing processes
3. Replenishing 100 per cent of the water used in our finished beverages sales volume back to communities and nature through the support of healthy watersheds and community water programs.

To date, we are on track to achieve this goal. We have achieved 99 percent compliance of our goal to improve wastewater treatment at our facilities.

In addition to meeting our stringent standards within our facilities, we work hard to repair and protect wetland habitats. In Toronto, for example, we've been working with the Toronto and Region Conservation Authority (TRCA) to build and protect wetland habitats in Tommy Thompson Park. We are also working with TRCA and other environmental organizations to convert our concentrated beverage drums into rain barrels to promote storm water recovery and upcycling. Retrofitting the rain barrels from our Toronto-based manufacturing facility helps further water conservation, adds value and makes a positive contribution to the city.

Just as its clear Coca-Cola is a responsible water steward, so it is clear that impacts to water costs can have a significant impact on our business. Water is an essential ingredient in all our beverages; there is no substitute. The proposed new City of Toronto water utility rate increase is significantly above inflation and cannot be easily absorbed. This proposed increase, in addition to other significant cost increases including natural gas and electricity, makes it difficult to operate and invest in the growth of our business, our people and the community. The Food and Beverage Manufacturing sector in Toronto, and across Ontario, has struggled through the recent global recession. Food and beverage companies have had to relocate from Toronto or cease operations altogether, putting thousands of people out of work and reducing city revenues. We recommend the City of Toronto carefully consider the broader economic implications, particularly for companies like Coca-Cola Canada, as they consider increasing the water rate.

Conclusion:

At Coca-Cola Canada, we are committed to our consumers, our partners and our communities. However, the proposed 8 per cent increase, an amount far greater than the rate of inflation, in addition to other cost increases, would significantly impact our business in Toronto. We recognize the need for businesses operating in Toronto to do their part in maintaining the city's infrastructure. To be successful, we believe that promoting economic development in Toronto, and allowing businesses to invest in new technologies and increased growth is the best way for cities to meet their infrastructure needs while attracting new business to the city.

Thank you for the opportunity to contribute our observations and perspectives. We look forward to continuing to work together in the years ahead.

Sincerely,



Krista Scaldwell
Vice President, Public Affairs and Communications
Coca-Cola Refreshments Canada