

# ACTION ON CLIMATE- FAQ

**We'll halve our direct carbon emissions and purchase 100% renewable electricity.**

## TARGETS & MEASUREMENT

**Q. - What are your carbon reduction targets?**

**A. -** Climate change is one of the most serious and complex challenges facing the world – and we're committed to playing our part in global efforts to tackle it. Our sustainability strategy, This is Forward sets out ambitious carbon reduction targets. By 2025, we aim to halve our direct carbon emissions (across our manufacturing, distribution and cold drinks equipment) and we'll cut GHG emissions across our entire value chain, including our ingredients and packaging, by 35%. As part of our commitment to the RE100 initiative, we will purchase 100% renewable electricity by 2020. In 2018, we met this target, two years ahead of schedule. Our carbon reduction targets are fully aligned with climate science and have been validated by the [Science Based Targets initiative](#) (SBTi).

**Q. - How do you measure your carbon emissions?**

**A. -** We measure the carbon footprint both of our core business operations (our manufacturing, distribution and cold drinks equipment) and of our wider value chain including our ingredients and packaging. We work within our own operations, as well as with our suppliers and customers to reduce their carbon footprint.

We report the carbon footprint of our Scope 1, 2 and 3 GHG emissions in tonnes of CO<sub>2</sub> equivalent, from our core business operations, for the calendar year ended 31 December 2018. Our GHG emissions are calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol, using an operational consolidation approach to determine organisational boundaries.

We disclose the Scope 1, 2 and 3 emissions which make up our core business operations (this includes our manufacturing, sales offices, distribution centres, cold drinks equipment and transportation figures). We also report additional Scope 3 emissions (including packaging and ingredients) in our value chain carbon footprint and our publicly available CDP responses.

**Q. - What certifications does CCEP have for climate and environmental management?**

**A. -** 46 of our 47 sites are certified under the ISO 14001 environmental management standard, equating to 99.9% of our total production volume. Several of our sites have also achieved the energy management standard ISO 50001, including our manufacturing sites at Wakefield and East Kilbride in Great Britain, Dunkerque in France, Chaudfontaine in Belgium, and Lisbon in Portugal, as well as all of our 23 German manufacturing sites, cold drinks equipment (CDE) operations and warehousing and distribution sites. In addition, all of our 47 manufacturing sites are also verified by our external third-party certification to The Coca-Cola Company's audited quality, environmental and safety certification system, KORE.

## GHG Emission - Core Business

**Q. - What is the carbon footprint of CCEP's core business operations?**

**A. -** In 2018, the carbon footprint of our core business operations was 1,228,241 metric tonnes of CO<sub>2</sub>e, a 50.64% reduction since 2010 and a 9.8% reduction versus 2017.

**Q. - What is CCEP doing to reduce its carbon footprint within its core operations?**

**A. -** The carbon footprint of our core business operations is made up of three main areas: manufacturing, transportation and cold drinks equipment. For each of these areas, we seek to reduce carbon emissions in a number of different ways.

Our manufacturing operations and commercial sites represent 21% of our core business operations carbon footprint. To reduce the carbon footprint of our factories and warehouses, we are primarily focusing on reducing the amount of energy we use.

Transportation accounts for the second-largest percentage of the carbon footprint of our core business operations, approximately 26%. Working with our logistics partners, we're improving routes across all our territories in order to cut the distances we drive. We are also promoting the use of carbon-reducing technologies, fuels and modes of transport.

## ACTION ON CLIMATE- FAQ- CONTINUED

The cold drinks equipment we install on our customers' premises such as coolers, vendors and fountain machines make up the largest percentage, 53%, of the carbon footprint of our core business' operations. We ensure that our equipment is as energy efficient as possible by purchasing the most energy efficient models and improving the efficiency of equipment already in our fleet by installing energy saving devices and LED lighting. Our responsibility extends to the eventual recycling and safe disposal of equipment at the end of its life.

### GHG Emission - Core Business - Transportation and Distribution

**Q. - How are you reducing your transportation and distribution carbon footprint?**

**A. -** We continue to optimise our distribution network to make it as efficient as possible. We've cut further road-kilometres by adding warehouse capacity at some of our manufacturing operations, allowing us to deliver directly to our customers from our manufacturing sites rather than via external warehouses. This includes automated storage and retrieval systems (ASRS), at our sites in Wakefield, Edmonton and East Kilbride in Great Britain.

Working with our suppliers, we've also cut the distances that materials have to travel to reach our factories. Many of our sites are located next to our can suppliers, and some, such as our sites at Grigny, in France, Wakefield in Great Britain and Halle in Germany, have the capability to manufacture their own PET bottle pre-forms, reducing the need for these goods to be transported.

In Spain, we developed an initiative called Ecoplatform. This centralises our distribution system, bringing together 150 trucks and 20 vans along with the development of a semi-automated warehouse in Madrid.

**Q. - What else are you doing to avoid wasted journeys?**

**A. -** In several of the countries in which we operate, we run front-hauling and back-hauling programmes in collaboration with suppliers and customers.

Front-hauling involves working with suppliers to rationalise the flow of materials into our plants. A rail-based system is particularly well established in Sweden.

Back-hauling combines customer deliveries with collections to ensure full loads on both the outward and return journeys. We currently have back-hauling arrangements with some of our key customers across France and Great Britain and in 2018, held a three-month trial in Belgium with Ab InBev.

**Q. - What role do alternative fuels and technologies play in your efforts to reduce transport emissions?**

**A. -** The majority of the distribution and transportation of our products is done in conjunction with haulier partners. Across our territories, our main hauliers comply with the latest Euro VI emission standard. In Belgium and Luxembourg all our trucks are Euro V EEV and Euro 6 standard.

We continue to use biofuel to power some of the trucks that we operate. The seven trucks that we own and operate in Iceland all run on biodiesel. Following a successful pilot in 2016, nine trucks in the Netherlands now use renewable diesel B30. In Sweden, where 62% of our trucks run on biofuel, we're testing the use of hydrogenated vegetable oil as a diesel alternative. Here we also operate dual-fuel delivery trucks powered by a mix of liquid natural gas/liquid biogas and regular diesel. In France, we're increasing the number of vehicles running on compressed and liquefied natural gas.

We are also expanding our use of fuel-efficient hybrids and electric vehicles across our company car and van fleet. In Norway, we ordered 100 electric cars for our field sales team. In 2018, 7% of our company cars were plug-in hybrid electric (PHEVs) or pure electric vehicles and 56% of the company cars in Norway are PHEVs or pure electric vehicles.

## ACTION ON CLIMATE- FAQ- CONTINUED

### Q. - What alternative transport do you use?

A. - Where long-distance transport is unavoidable, we use a combination of rail and road with trailers loaded onto trains and needing only short truck journeys at each end of the route. This method is mainly used in France and is currently being introduced in Germany. In 2018, a total of 3.7 million kms was travelled by train.

We are also expanding our use of Eco-Combi trucks in the Netherlands. Longer than conventional trucks, these can carry up to 38% more per journey, resulting in fewer trips and lower emissions. In Sweden, for the same reason, we use larger trucks known as 'road trains'.

## GHG Emission - Core Business - Cold Drinks Equipment

### Q. - How are you reducing the carbon impact of your cold drinks equipment?

A. - In 2018, CCEP conducted a review of the technical requirements for all newly purchased cold drinks equipment (CDE) in favour of higher, best-in-class, efficiencies, by rationalising the requirements on other performance criteria. In cooperation with our suppliers, we developed best-in-class energy efficient new equipment and identified ways for continuous improvement of the efficiency level of our current CDE fleet without the need for regular maintenance. These initiatives enabled us to set, as part of our new CDE strategy, an objective for continuous carbon footprint reduction related to our CDE fleet, even as the fleet grows. Business units are accountable for the management of the number and type of equipment within their markets. As a result, the business units have started the process of optimising the mix of CDE fleet in their market, allowing withdrawal of high energy consuming equipment and replacing them with highly efficient ones. The success of these, and other initiatives in 2018, resulted in a reduction of the carbon emissions of our CDE fleet by 7.1% compared to 2017, while growing our fleet by an average of 1.2% in 2018.

In 2018, 100% of the newly purchased coolers were HFC-free, making the cooler fleet as a whole 53.5% HFC-free, an increase from 47.3% in 2017. At the end of 2018, only a small percentage, less than 2%, of our equipment remained to be converted to an HFC free based refrigerant and this is expected to be completed in 2019. If an HFC-free solution is not available for purchase, we work with our suppliers to develop one.

## GHG Emission - Core Business – Manufacturing Sites

### Q. - How are you reducing the energy you use in your manufacturing sites?

A. - In 2018, our manufacturing sites used a total of 1,125,104 MWh of energy. We are working hard to reduce the energy we use by investing in new equipment and in training programmes for our employees. In 2018, we trialled in one of our manufacturing sites in Germany a new system designed to reduce the blowing pressure required to produce PET bottles, saving 897,000 kWh per year. As a result of these and other initiatives, in 2018, we had an energy use ratio of 0.317 MJ/litre of product produced, a 17.22% reduction versus our 2010 baseline.

In Great Britain, five of our six manufacturing sites that were in the UK government's Climate Change Agreement scheme for the full year exceeded their energy targets. One site, which joined towards the end of 2018, didn't reach the target due to the timing of joining the scheme. However, all sites exceeded their 2018 energy targets.

We continue to invest in process innovation and new, energy efficient technologies, and are looking to roll out best practices across our territories. In 2018, we invested €2.1 million in energy and carbon-saving technologies, saving approximately 7,633 MWh per year and 2,249 CO<sub>2</sub>et.

## ACTION ON CLIMATE- FAQ- CONTINUED

### GHG Emissions - Value Chain

**Q. - What is CCEP doing to reduce its carbon footprint across its value chain?**

A. - We are committed to reducing the carbon impact of our value chain in a number of ways, including making our packaging lighter, by working with our suppliers to ensure that they adopt energy saving technologies and by increasing the use of recycled materials which have a lower carbon footprint compared to virgin materials. We are currently on track to increase our recycled PET (rPET) use to 50% across all our PET packaging by 2025. In 2018, 27.6% of the PET we used in our PET bottles was rPET. We are also working to reduce emissions by reducing the overall weight of material that we use in our packaging, as well as improving recycling rates across our markets. Read more about our packaging activities in [action on packaging](#).

With The Coca-Cola Company, we require our suppliers to comply with a number of sustainable sourcing guidelines that include commitments and expectations around carbon management. These include our [Sustainable Agriculture Guiding Principles](#) (SAGPs) and [Supplier Guiding Principles](#) (SGPs). We work with organisations such as the Sustainable Agriculture Initiative (SAI) and Rainforest Alliance to help develop pathways to compliance for farmers. Read more about sustainable ingredient sourcing in [action on supply chain](#).

**Q. - How are you working with customers to reduce energy and carbon emissions?**

A. - The majority of our carbon impact lies beyond our direct control. Collaborating with our suppliers, customers, consumers and other stakeholders therefore plays a critical role in reducing our overall carbon impact throughout our value chain.

In recent years we have begun working closely with customers to reduce our value chain carbon impact. This work has involved a number of initiatives designed to help customers reduce their own carbon footprints. In Spain, examples include the cross-sector [HOSTELERIA#PorElClima](#) initiative, which raises awareness of carbon management practices among customers from the hotel, café and restaurant sector, and our Sustainable Terraces initiative. See our stories for more information.

### Renewable Electricity

**Q. - What progress have you made in switching to renewable energy?**

A. - In 2017, we signed up to the [Climate Group's RE100 initiative](#), committing to purchase 100% renewable electricity by 2020. In 2018, 100% of our purchased electricity came from renewable sources, achieving our target two years ahead of schedule.

To support our renewable energy target, we are also investing in renewable and low-carbon energy projects at our own manufacturing sites in addition to changing our energy purchasing strategy. These include investments in solar, wind, combined heat and power (CHP), biomass, and district heating.

Overall, solar photovoltaic panels on our sites generated 449 MWh of electricity in 2018. In 2017, our business in Great Britain saw the opening of a major investment in solar power: an eight-hectare solar farm near to our soft drinks factory in Wakefield which delivered 4,632 MWh to the site in 2018, representing 13% of total electricity consumption for 2018. Our site in Chaudfontaine in Belgium uses a combination of solar panels, geothermal heat capture and a new hydro-electric turbine to produce more than 17% of the factory's energy consumption. In Iceland, the country's abundance of hydropower and geothermal sources of energy gives our Reykjavik facility one of the lowest carbon footprint of all of our manufacturing sites.

Combined heat and power (CHP) systems can cut carbon emissions by generating electricity and heat on site from low-carbon energy sources such as natural gas. Having installed our first CHP system in Wakefield in 2014, we have installed a system at our manufacturing site in Sidcup, which will generate electricity, steam and chilled water once it is operational in the second quarter of 2019.