



FACTSHEET: ACTION ON CLIMATE



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Climate change is the world's most urgent environmental challenge. We are committed to playing our part in global efforts to address the climate crisis by reducing carbon emissions across our value chain, in line with the Paris Agreement.

OUR STRATEGY

In Europe, consumers continue to rank climate change as the number one sustainability challenge. We are taking significant steps to decarbonise our business across our entire value chain.

We have set a target to halve greenhouse gas (GHG) emissions from our core operations (manufacturing, distribution and cold drink equipment) by 2025. Across our value chain, we aim to cut GHG emissions by 35%, by encouraging our suppliers to adopt carbon reduction initiatives and through changes in our packaging, such as moving to 100% recycled materials. These targets are aligned with climate science and have been validated by the **Science Based Targets initiative (SBTi)**.

CCEP is a member of **The Climate Group's RE100 initiative**, a coalition of companies committed to purchasing 100% renewable electricity by 2020. As a member of the **Corporate Leaders Group Europe**, we support a significant increase in the EU GHG emissions reduction target for 2030, in line with the EU's goal to become carbon neutral by 2050.

OUR ACTIONS

In 2019, together with The Coca-Cola Company (TCCC), we completed a climate risk scenario assessment, in line with guidance from the **Task Force on Climate-related Financial Disclosures (TCFD)**. The assessment identified the physical and transition risks we could face as a result of climate change. The findings are informing our strategic decisions and helping us prepare for the potential impacts of climate change. In 2020, we will carry out further work to assess how our business may be impacted in the longer term from climate related risks, with a particular focus on our manufacturing sites and the availability of key ingredients in our value chain.

In 2019, we continued to reduce GHG emissions from our core operations and our emissions have reduced by 52% since 2010. For example, our Jordbro manufacturing site in Sweden reduced its total energy consumption by 6.6% in 2019 by modernising the heating, ventilation and air conditioning across the site. The site aims to be fossil fuel free by 2030, and in 2019 signed a new agreement to source climate neutral electricity, from wind power. In GB, we are currently in negotiations to extend the solar farm at our Wakefield manufacturing site. The investment will increase the farm's energy output and improve its energy storage.

Transport continues to play a vital role in our carbon reduction strategy. In Germany, we doubled our use of rail transport for our ViO beverages from our Lüneburg manufacturing site, saving around 879 tonnes of CO₂ emissions per year.

We continue to make investments in improving the energy efficiency of our cold drink equipment; for example, we added smart devices to optimise energy consumption in our iCool 300 equipment. In 2019, the total energy consumption of our cold drink equipment fleet fell by 4.2% compared with the previous year. Over the same period, our fleet grew by 1.8%.

We are reducing the carbon impact of our value chain in a number of ways.

In 2019, CCEP joined the EU initiative **Step Up Now**, a coalition of businesses, investors, cities and regions calling for more EU action on climate change. Through our membership, we're encouraging European leaders to take the steps necessary to shift to a climate neutral, competitive and sustainable European economy by 2050.

CCEP IN SWEDEN HAS HAD A CONTINUOUS INTEREST IN NEW SOLUTIONS WHEN IT COMES TO ENERGY EFFICIENCY AND COLLABORATION TO LOWER THEIR CLIMATE FOOTPRINT. I AM VERY PROUD OF OUR PARTNERSHIP AND OF THE FACT THAT WE CAN SUPPORT THEIR AMBITIONS TO BECOMING FOSSIL FUEL FREE."

Branislav Slavic – Head of Customers & Solutions,
Vattenfall Norden – Sweden

Our progress

	2019	2018
Energy use ratio (MJ/litre of product produced)	0.317	0.315
Electricity purchased from renewable sources	100%	100%

GHG EMISSIONS (SCOPE 1, 2 AND 3)

Details of our Scope 1, 2 and 3 GHG emissions in tonnes of CO₂ equivalent (stated as CO₂e) from our core business operations and our value chain during 2019 are set out in table 1. Our Scope 1 and 2 emissions are independent of any GHG trades, and our Scope 2 emissions are calculated using the market based approach.

We consider our core business operations to include our manufacturing, distribution and cold drink equipment. Details about our Scope 3 GHG emissions in our value chain (including our ingredients and packaging), are also reported below. Additional Scope 3 figures will also be included in our 2020 CDP response.

Our carbon footprint is calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Standard, using an operational control approach to determine organisational boundaries.

In 2019, our Scope 1 and 2 emissions increased by 2.8% compared to 2018; however this represents a 58% reduction in Scope 1 and 2 emissions compared to 2010, using a market based Scope 2 approach.

Our total Scope 1, 2 and 3 GHG emissions (full value chain) have reduced by 30.5% since 2010.

Intensity ratios

GHG emissions (Scope 1 and 2) per litre of product produced (market based Scope 2 approach): 19.25g/litre of product produced.

GHG emissions (Scope 1 and 2) per euro of revenue (market based Scope 2 approach): 20.35g/euro of revenue.

Note on sources of data and calculation methodologies

Under the WRI/WBCSD GHG Protocol, we measure our emissions in three scopes, except for CO₂e emissions from biologically sequestered carbon, which is reported separately outside these scopes. Our 2010 baseline incorporates data from the bottlers from which CCEP was formed, prior to the Merger. Some data for 2018 has been restated due to more accurate data becoming available.

Data is consolidated from a number of sources across our business and is analysed centrally. We use a variety of methodologies to gather our emissions data and measure each part of our operational carbon footprint, including natural gas and purchased electricity data, refrigerant gas losses, CO₂ fugitive gas losses and transport fuel, water supply, wastewater and waste management. We use emission factors relevant to the source data including UK Department for Business, Environment and Industrial Strategy (BEIS) 2019 and IEA 2017 emission factors.

Scope 1 figures include direct sources of emissions such as the fuel we use for manufacturing and our own vehicles plus our fugitive emissions.

Scope 2 figures include indirect sources of emissions such as the purchased electricity we use at our sites. We report against this on both a location based and a market based approach. Commitments and KPIs are tracked using the market based approach.

Scope 3 figures include the emissions associated with the packaging we put on the market and the ingredients we use in our products. It also includes indirect sources associated with the electricity used by our cold drink and coffee equipment at our customers' premises, our employee business travel by rail and air, emissions related to the supply of water and treatment of wastewater, emissions from the treatment of waste, fuel used by our third party distributors, and other energy related emissions not already accounted for under Scope 1 and 2 (for example, emissions from well to tank and transmission and distribution).

Emission factors used include industry and supplier data, Defra/BEIS 2019 and IEA 2017 emission factors. 1.04% of our core business operations carbon footprint is based on estimated emissions (e.g. leased offices where energy invoices or the square metre footage size of the site is not available). The figures for 2019 in table 1, along with selected information on our website, are subject to independent assurance by DNV GL in accordance with the ISAE 3000 standard. The full assurance statement with DNV GL's scope of work, and basis of conclusion, will be published on our website in May 2020.

Table 1
GHG emissions (tonnes CO₂e)

		2019	2018 ^(A)
Scope 1	Direct emissions (e.g. fuel used in manufacturing, own vehicle fleet, as well as process and fugitive emissions)	238,046	232,630
Scope 2 (market based approach)	Indirect emissions (e.g. electricity)	6,573	5,382
Scope 2 (location based approach)		169,971	173,203
Scope 3	Third party emissions included in our core business operations, including those related to our cold drink equipment, third party transportation and distribution, and business travel	949,319	988,770
Total Scope 1, 2^(B) and 3 (Core business operations)		1,193,938	1,226,782
Scope 3	Third party emissions related to our ingredients and packaging	2,538,033	2,528,956
Total GHG emissions Scope 3 (Ingredients, packaging and core business operations)		3,487,352	3,517,726
Total GHG emissions Scope 1, 2 and 3 (Full value chain)		3,731,971	3,755,738

(A) Restated – as described above.

(B) Market based approach only.

FAQ

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

TARGETS AND MEASUREMENT

What are your carbon reduction targets?

In Europe, consumers continue to rank climate change as the number one sustainability challenge. We are taking significant steps to decarbonise our business across our entire value chain.

We have set a target to halve greenhouse gas (GHG) emissions from our core operations (manufacturing, distribution and cold drink equipment) by 2025. Across our value chain, we aim to cut GHG emissions by 35%, by encouraging our suppliers to adopt carbon reduction initiatives and through changes in our packaging, such as moving to 100% recycled materials.

Our carbon reduction targets are fully aligned with climate science and have been validated by the **Science Based Targets initiative** (SBTi).

CCEP is a member of **The Climate Group's RE100 initiative**, a coalition of companies committed to purchasing 100% renewable electricity by 2020. In 2018, we met this target, two years ahead of schedule. As a member of the Corporate Leaders Group Europe, we support an increase in the EU's GHG emissions reduction target for 2030, in line with the EU's goal to become carbon neutral by 2050.

How do you measure your carbon emissions?

We measure the carbon footprint both of our core business operations (our manufacturing, distribution and cold drink equipment) and of our wider value chain including our ingredients and packaging.

We report the carbon footprint of our Scope 1, 2 and 3 GHG emissions in tonnes of CO₂ equivalent, from our core business operations and our value chain, for the calendar year ended 31 December 2019. Our GHG emissions are calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Standard, using an operational control 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 drink 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.

What certifications does CCEP have for climate and environmental management?

All of our 47 manufacturing sites are certified under the ISO 14001 environmental management standard, equating to 100% 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 GB, Chaudfontaine in Belgium and Lisbon in Portugal, as well as all of our 16 German manufacturing sites, cold drink equipment (CDE) operations and warehousing and distribution sites. In addition, all of our manufacturing sites are also verified by our external third party certification to TCCC's audited quality, environmental and safety certification system, KORE.

How do you manage climate related risks and opportunities?

In 2019, together with TCCC, we completed a climate risk scenario assessment, in line with guidance from the Task Force on Climate-related Financial Disclosures (TCFD). The assessment identified the physical and transition risks we could face as a result of climate change. The findings are informing our strategic decisions and helping us prepare for the potential impacts of climate change. In 2020, we will carry out further work to assess how our business may be impacted in the longer term from climate related risks, with a particular focus on our manufacturing sites and the availability of key ingredients in our value chain.

GHG EMISSIONS – CORE BUSINESS

What is the carbon footprint of CCEP's core business operations?

In 2019, the carbon footprint of our core business operations was 1,193,938 metric tonnes of CO₂e, a 52% reduction since 2010 and a 2.7% reduction versus 2018.

What is CCEP doing to reduce its carbon footprint within its core operations?

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

Our manufacturing 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 using less energy, identifying new renewable sources of energy and reducing our fugitive CO₂ losses.

Transportation accounts for the second-largest percentage of the carbon footprint of our core business operations, approximately 28%. We are working with our hauliers to comply with the latest engine emission standards which are more fuel efficient. In 2019, we saw a 30% increase in products transported by train compared to 2018. We are also transitioning our company car fleet from diesel to electric. 7% of our fleet is now plug-in hybrid or pure electric vehicles.

The cold drink equipment we install on our customers' premises such as coolers, vendors and fountain machines make up the largest percentage, 51%, 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 EMISSIONS – CORE BUSINESS (TRANSPORTATION AND DISTRIBUTION)

How are you reducing your transportation and distribution carbon footprint?

We continue to optimise our distribution network to make it as efficient as possible. We've further reduced 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.

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 GB 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 2019, we increased the amount of finished goods transported by train by 30% compared to 2018. For example, in Germany, we doubled our use of rail transport for our ViO beverages from our Lüneburg manufacturing site, saving around 879 tonnes of CO₂ emissions per year.

In France, we signed the **Freight 21** charter including a commitment to reduce the carbon footprint of our transportation by 9% between 2018 and 2022. We have identified 12 carbon reduction projects, including the use of our new production line in our Dunkirk manufacturing site for Tropic and Fuze Tea which had previously been produced by co-packers, the development of rail and road transportation options (in particular for sugar deliveries with Tereos), the use of natural gas trucks and the optimisation of our logistics operations. This charter is supported by the French Ministry of Transport and Ademe, the French agency for environment and energy management.

What else are you doing to avoid wasted journeys?

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, GB and Belgium.

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

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. Following a successful pilot in 2016, a number of routes in the Netherlands now use renewable diesel B30. In Sweden, over 80% of all kilometres travelled are completed using alternative fuels such as Hydrotreated Vegetable Oil (HVO) and other biofuels. In France, a number of trucks use compressed natural gas and we transport some finished goods using rail which makes up 6% of our total vehicle movements.

We are also expanding our use of fuel-efficient hybrids and electric vehicles across our company car and van fleet. In 2019, 7% of our company cars were plug-in hybrid electric (PHEVs) or pure electric vehicles and 79% of the company cars in Norway are PHEVs or pure electric vehicles.

What alternative transport do you use?

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. In Germany, we doubled our use of rail transport for our ViO beverages from our Lüneburg manufacturing site, saving around 879 tonnes of CO₂ emissions per year. In 2019, a total of 4.7 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 EMISSIONS – CORE BUSINESS (COLD DRINK EQUIPMENT)

How are you reducing the carbon impact of your cold drink equipment?

In 2018, CCEP conducted a review of the technical requirements for all newly purchased cold drink equipment (CDE). We favour higher, best-in-class, efficient equipment and have rationalised the requirements on other performance criteria. In cooperation with our suppliers, we develop best-in-class energy efficient new equipment and identify ways for continuous improvement of the efficiency level of our equipment 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.

Our business units are accountable for the management of the number and type of equipment within their markets. As a result, we have started the process of optimising the mix of CDE fleet in our markets, allowing withdrawal of high energy consuming equipment and replacing them with equipment which is more energy efficient. The success of these, and other initiatives in 2019, resulted in a reduction of the carbon footprint of our CDE fleet of 4.2% compared to 2018, while growing our fleet by 1.8%.

In 2019, 99% of all newly purchased coolers were HFC-free, making the cooler fleet as a whole 59.6% HFC-free, an increase of 6.1% versus 2018. Our carbon reduction initiatives include the withdrawal of high energy consuming equipment from the market and the introduction of equipment which is more energy efficient. In 2019, this resulted in an annual energy consumption of 4.2% less than 2018, resulting to a carbon footprint reduction of 38,327 CO₂et.

GHG EMISSIONS – CORE BUSINESS (MANUFACTURING)

How are you reducing the energy you use in your manufacturing sites?

In 2019, our manufacturing sites used a total of 1,132,637 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 2019, our Jodbro manufacturing site in Sweden reduced its total energy consumption by 6.6% by modernising the heating, ventilation and air conditioning across the site. As a result of these and other initiatives in 2019, we achieved an energy use ratio of 0.317 MJ/litre of product produced, a 17% reduction versus our 2010 baseline.

In GB, all five of our manufacturing sites take part in the UK government's Climate Change Agreement Scheme. In 2019, whilst one of our sites missed its individual target, GB energy performance overall was significantly better than the combined energy target.

We continue to invest in process innovation and new, energy efficient technologies, and are looking to roll out best practices across our territories. In 2019, we invested €5.5 million in energy and carbon-saving technologies, saving approximately 12,862 MWh per year and 2,445 CO₂et.

GHG EMISSIONS – VALUE CHAIN

What is CCEP doing to reduce its carbon footprint across its value chain?

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.

In 2019, we announced enhanced packaging targets, bringing forward the deadline to increase the level of recycled content in our plastic bottles to at least 50% from 2025 to 2023 and aiming to reach 100% recycled or renewable plastic in the future. In 2019, recycled PET made up 30.5% of the PET we use, up from 27.6% in 2018. We are also working to reduce emissions by reducing the overall weight of material that we use in our packaging, as well as improving packaging collection rates across our markets. **Click here** to read more about our packaging activities in action on packaging.

With TCCC, 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 our ingredient suppliers. **Click here** to read more about sustainable ingredient sourcing in action on supply chain.

How are you working with customers to reduce energy and carbon emissions?

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.

We are 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, we support the cross sector **HOSTELERIA#PorElClima** initiative in partnership with **ECODES**, which raises awareness of carbon management practices among customers from the hotel, café and restaurant sector. The objective is to help bars and restaurants to act against climate change by suggesting simple everyday actions in the areas of greatest environmental impact of the sector including water, energy, waste, resources, mobility and carbon footprint.

RENEWABLE ELECTRICITY

How are you engage in promoting climate neutrality?

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.

In 2019, CCEP joined the EU initiative **Step Up Now**, a coalition of businesses, investors, cities and regions calling for more EU action on climate change. Through our membership, we're encouraging European leaders to take the steps necessary to shift to a climate neutral, competitive and sustainable European economy by 2050.

What progress have you made in switching to renewable energy?

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.

Our Jordbro manufacturing site in Sweden aims to be fossil fuel free by 2030, and in 2019 signed a new agreement to source climate neutral electricity from wind power.

Overall, solar photovoltaic panels on our sites generated 427 MWh of electricity in 2019. 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 4,691 MWh to the site in 2019, representing 16% of total electricity consumption for 2019. We are currently in negotiations to extend the solar farm. The investment will increase the farm's energy output and improve its energy storage.

Our site in Chaudfontaine in Belgium uses a combination of solar panels, geothermal heat capture and a new hydroelectric turbine to produce more than 15% 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 footprints of all of our manufacturing sites.



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