

# CLIMATE CHANGE AND CARBON REDUCTION

2020 FACT SHEET



## OUR 2020 GOAL AND PROGRESS

Our 2020 goal, aligned with that of The Coca-Cola Company, is to reduce the carbon footprint of the 'drink in your hand' by 25 per cent (compared to 2010). At the end of 2018, we had reduced the carbon footprint of the 'drink in your hand' by 16 per cent.<sup>1</sup>

## WE ARE COMMITTED TO ENSURING WE ARE PLAYING OUR ROLE IN LIMITING GLOBAL TEMPERATURE INCREASES TO NO MORE THAN 1.5 DEGREES CELSIUS.<sup>2</sup>

### Our commitment and approach

**We have set targets for the use of renewable and low-carbon energy, which includes natural gas, as well as targets for reducing the emissions intensity associated with 'the drink in your hand'.**

In 2019, The Coca-Cola Company also made a worldwide commitment, aligned with the Science Based Targets initiative, to reduce its absolute carbon footprint by 25 per cent by 2030 (compared to 2015). Coca-Cola Amatil's emissions fall within the scope of this global goal.

All our carbon reduction and climate resilience programs are guided by regulatory requirements and relevant company policies, including our Group-wide *Environment Policy*, *Water Policy*, and *Human Rights Policy* – all of which confirm our commitment to minimising our environmental impacts and associated carbon footprint.

We have also continued to develop our strategic approach to climate change related risks, undertaking a climate risk and opportunity assessment and finalising a climate action plan.

Each year we complete all mandatory external reporting related to our climate change impacts such as that required under Australia's National Greenhouse and Energy Reporting Scheme, and voluntarily complete CDP Climate Change and CDP Water Security questionnaires.

Coca-Cola Amatil recognises the importance of disclosing climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and will continue to improve its assessment, management and disclosure approach in line with these recommendations.



### CLIMATE CHANGE

risk and opportunity assessment completed

### Reducing our carbon footprint

Our 2020 goal to reduce the footprint of the 'drink in your hand' requires that we focus not only on reducing emissions associated with our own operations, but on the emissions produced across our value chain – in the packaging and ingredients we use, manufacturing and logistics, and refrigeration used by our customers.

In recent years we made good progress in these areas, with 'drink in your hand' emissions estimated to be 16 per cent lower than the same scope of emissions in the 2015 baseline year. This reduction has been driven by a combination of improved energy efficiency and the increased use of lower emission energy in our manufacturing, increasing the recycled content of our packaging, and moving to more energy efficient 'coolers' that also use refrigerants with a lower global warming impact.

### Drink in your hand non-alcoholic beverage emissions profile 2018

% share in total emissions (tonnes CO<sub>2</sub>-equivalent)



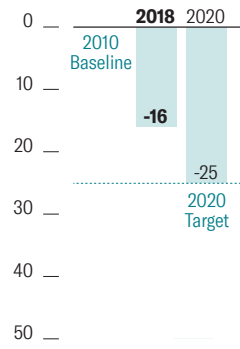
### ASSESSING AND DISCLOSING OUR RISK

For the first time, in 2019, Amatil conducted an independent climate risk and opportunity assessment to help inform risk management, strategies, actions, reporting and disclosures in the future. The assessment covered all our geographies and our full value chain, and looked out to both 2030 and 2050.

<sup>1</sup> Following recommendations from a pre-assurance assessment of our inputs to the 'drink in your hand' tool, in 2019 we have aligned with an updated The Coca-Cola Company accounting model for calculating our emissions reduction. Results from the global model are available in the month of June in the following year. Consequently, we are now able to report our performance with a lag of one year in the Annual Report.

<sup>2</sup> 1.5 degrees Celsius is based on United Nations Framework Convention on Climate Change assessments and globally agreed commitments under the 2015 Paris Agreement.

**Drink in your hand performance**  
% reduction from 2010 baseline



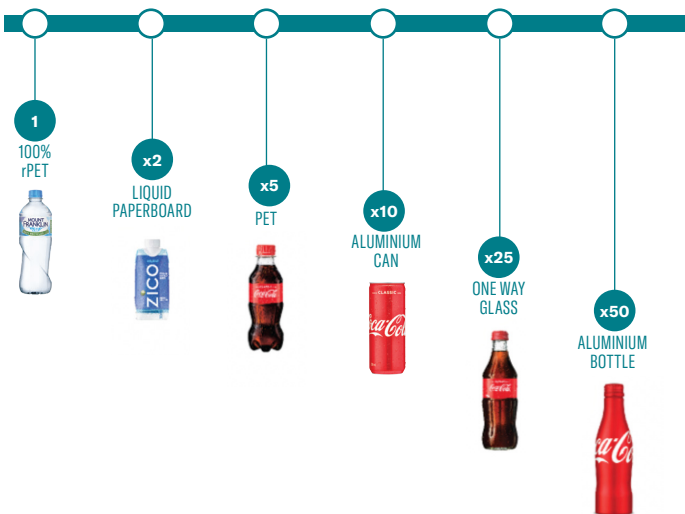
**Managing climate change risk and resilience**

In 2019, we completed a third-party independent assessment of climate change-related risks and opportunities for Amatil out to 2050. The assessment confirmed Coca-Cola Amatil could be impacted by changes in weather patterns such as increased temperatures, altered rainfall patterns, and more frequent or intense extreme weather events. These may cause major business disruption, increased energy costs, and key input scarcity in relation to water, sugar and other agricultural ingredients. Most of these risks already have management plans in place. We are also working to improve our understanding of our emissions profile, and that of major suppliers, and refining plans to address the physical and transition risks identified.

**Scope 1 and Scope 2 emissions 2019**  
Tonnes CO<sub>2</sub>-equivalent

	Australia	New Zealand and Fiji	Indonesia and PNG	Total
Scope 1	16,390	7,897	25,062	<b>49,349</b>
Scope 2	62,997	1,733	78,429	<b>143,160</b>

**Relative carbon footprint per pack\***  
Grams CO<sub>2</sub>-equivalent



\* Indicative only. Difference in carbon footprint impact is based on The Coca-Cola Company global average data.

# SUBMETERING CUTS CARBON EMISSIONS AND PLASTIC USE

Coca-Cola Amatil’s Eastern Creek Packaging Production facility in Sydney is responsible for creating plastic bottle ‘preforms’ and caps for both domestic and international markets. These ‘preforms’, which look like small plastic test tubes, are then shipped to our various manufacturing plants in Australia and also overseas. On arrival, they are formed into larger bottles and filled with beverages using a streamlined technology called ‘blow-fill’.

In an innovative use of electricity sub-metering, and in partnership with the NSW Office of Environment and Heritage, the team installed electricity sub-meters on each of its resin-drying subsystems at the Eastern Creek bottling facility.

Resin is heated, shaped and dried to make ‘preforms’ and is therefore an important part of the bottle making process. By using sub-metering, the team identified that drying times varied enormously across machines, resulting in excess electricity use.

By pinpointing specific drying times and recalibrating machines, the team cut Amatil’s carbon emissions by 67 tonnes a year and saved \$14,000 in power bills.

The sub-meters also prevent material loss through eliminating the over-drying of resin, which has reduced Amatil’s net plastic use by 50 tonnes a year – the equivalent of nearly two semi-trailer loads – an innovation which benefits both the environmental and Amatil’s bottom line.

 **67 tonnes**  
OF EMISSIONS PER ANNUM  
removed by a single project

