

NET ZERO CARBON

WE ARE COMMITTED TO ENSURING WE ARE PLAYING OUR ROLE IN LIMITING GLOBAL TEMPERATURE INCREASES TO NO MORE THAN 1.5 DEGREES CELSIUS.



OUR 2040 AMBITION

We aim to achieve net zero direct carbon emissions (Scope 1 & 2) by 2040 and are targeting 100 per cent renewable electricity in Australia and New Zealand by 2025. We are pursuing other emissions reduction (Scope 3) supporting The Coca-Cola Company's Science-Based Target of 25 per cent reduction by 2030 (vs 2015), and working to support climate resilient operations and communities. In 2021 we will be joining RE100, the global corporate renewable electricity initiative, and setting targets for our operations in Indonesia, Papua New Guinea, Fiji and Samoa to use 100 per cent renewable electricity by 2030.

OUR COMMITMENT AND APPROACH

Our net zero carbon emissions ambition is an important step for our company and we are developing decarbonisation roadmaps to provide a view on how this ambition will be achieved. As part of these roadmaps we are setting internal energy intensity and renewable energy targets.

All our carbon reduction, energy efficiency 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.

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.



2020 – 2040 SUSTAINABILITY AMBITIONS

NET ZERO CARBON

Commitment by 2040

2020 Total energy use by fuel/energy source (manufacturing)

Including renewable and lower carbon energy split

		2020 GJ	2020 % of total
Low-carbon & renewable	Natural Gas	827,196	47.9%
	Sustainable Wood	24,286	1.4%
	LPG	49,439	2.9%
	Renewable Grid Electricity	51,830	3.0%
	On-site Solar	9,171	0.5%
	TOTAL	961,922	55.7%
Other energy	Non-Renewable Grid Electricity	629,515	37.3%
	Diesel & Petrol	119,763	6.9%
	TOTAL	764,441	44.3%
TOTAL		1,726,364	100%



55.7%

ENERGY USED

in our operations is from renewable or low-carbon sources



↓ 8.9k tonnes

REDUCTION IN CARBON EMISSIONS PER ANNUM created by the installation of solar panels on the rooftop of our largest factory in West Cikarang, Indonesia

NET ZERO CARBON (CONTINUED)

Renewable energy projects

We had a 2020 public goal to source at least 60 per cent of our manufacturing energy needs from low- and no-carbon sources, including natural gas, LPG, wood, direct renewables from on-site sources and indirect renewables supplied through grid connected power purchase agreements. As at the end of 2020, 55.7 per cent of the energy used in our operations is now renewable or from low-carbon sources. Currently, renewable energy usage in our manufacturing operations across all countries combined is less than 10 per cent.

We continue to invest in renewable energy projects around our region. Following the launch of our 1.1 megawatt rooftop solar panel installation in Fiji in 2017, one of the largest in the country, we have initiated three on-site solar projects in Australia – at Eastern Creek, Richlands and Kewdale – with a combined generation capacity of 3.5 megawatts, in addition to Indonesia's largest rooftop solar project at West Cikarang, with a generation capacity of 7.1 megawatts.

Regarding emission reduction from these projects, the West Cikarang project will offset 8.9 thousand tonnes of carbon emissions per annum. In Australia, we are using the Large-scale Generation Certificates (LGCs) created from the solar projects to help meet the mandatory minimum renewable power percentage required under the national Renewable Energy Target (RET), and currently trading any excess certificates. In other countries, these projects are providing direct renewable energy to our sites and reducing our emissions accordingly.

Energy intensity – non-alcoholic beverages¹
MJ/L



¹ Energy usage ratios for previous years have been restated for Indonesia using estimates.

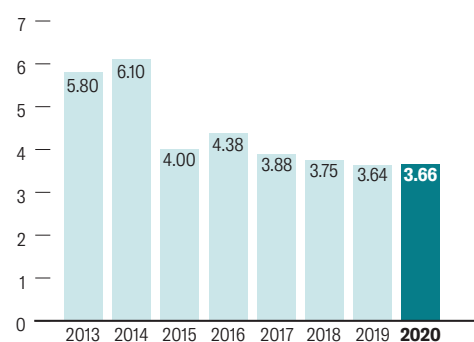
In Australia, we have entered into a long-term power purchase agreement with the Murra Warra Wind Farm in Victoria, which became operational in 2019. Although our electricity is not directly sourced from this project, the agreement facilitates our contribution to the overall development of renewables in Australia. In addition, the Murra Warra Wind Farm provides us with access to LGCs – a proportion of which we are currently trading on renewable certificate markets.

We are exploring further opportunities for on-site projects in Australia, Indonesia and Papua New Guinea in 2021 and evaluating renewable power purchase options to support meeting our net zero ambition across all countries in which we operate and achieve 100 per cent renewable electricity in Australia and New Zealand by 2025, and by 2030 in Indonesia, Papua New Guinea, Fiji and Samoa.

Energy efficiency

We continue to invest in energy efficiency programs in all our countries of operation. These include rolling out additional sub-metering and energy efficient lighting, and considering energy efficient equipment in our bottling and packaging manufacturing plants. Over time, we are upgrading the fridges used within our customers' premises to more energy efficient models, as well as replacing the refrigerants used in those fridges to mitigate against further global warming.

Energy intensity – alcoholic beverages
MJ/L



INDONESIA'S LARGEST ROOFTOP SOLAR SYSTEM NOW LAUNCHED

In 2020 Coca-Cola Amatil Indonesia opened Phase 1 of a solar photo-voltaic installation on the roof of our largest factory in Indonesia in West Cikarang, West Java.

We believe that when all stages are completed this solar installation will be the largest in a manufacturing facility in ASEAN, number 2 in the Asia Pacific region, and number 4 in the world.

Covering an area of 72,000m², this solar project will generate 7.13MWp of solar power during peak capacity during the day (9,600 MWh/year). This allows a reduction of 13% of the total electricity demand from the grid and will also help cut the carbon emissions by 8.9 thousand tonnes per annum.

We plan to expand our solar panel roof project to several manufacturing facilities throughout Indonesia, in Medan, Semarang and Surabaya, with an expected energy production capacity of 6,052 MWh in the first year.



NET ZERO CARBON (CONTINUED)

Managing climate change risk and resilience

In 2019, we completed a third-party independent assessment of climate change-related risks and opportunities for Amatil. The assessment covered all our geographies and our full value chain, and extended to both 2030 and 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. Over time we are improving our understanding of climate risk and monitor our disclosure of this risk against the recommendations of the TCFD.

We are also working to improve our understanding of our emissions profile, and that of our major suppliers, and refining plans to address the physical and transition risks identified. 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.

Reducing the 'drink in your hand' carbon footprint

Although our net zero carbon by 2040 ambition is new, we have had carbon reduction targets in place for several years. We had a 2020 goal to reduce the carbon intensity of the 'drink in your hand' by 25 per cent (compared to 2010), requiring 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.

We fell short of achieving this goal in 2019 with 18% reduction across all countries of operation.¹

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.

The 'drink in your hand' metric is being used by The Coca-Cola Company as the scope for the Science Based Target of 25 per cent reduction in absolute emissions by 2030 compared to 2015.

¹ Annual results from The Coca-Cola Company's global 'drink in your hand' carbon footprint tool are not available until June of the following year. Reported figures therefore represent 2019 performance.

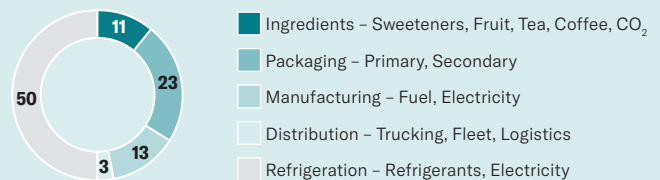
Scope 1 and Scope 2 emissions 2020

Tonnes CO₂-equivalent

	Australia	New Zealand, Fiji and Samoa	Indonesia and PNG	Total
Scope 1	17,736	6,704	29,774	54,215
Scope 2	61,112	1,987	68,138	131,237
Total	78,848	8,691	97,913	185,452

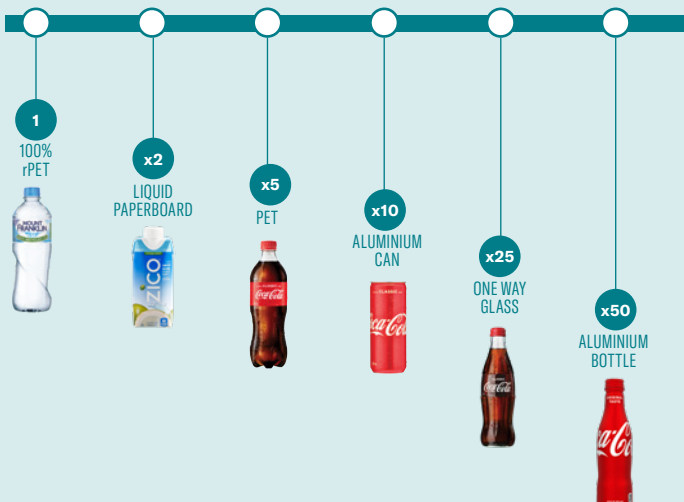
Drink in your hand non-alcoholic beverage emissions profile 2019

% share in total emissions (tonnes CO₂-equivalent)



Relative carbon footprint per pack²

Grams CO₂-equivalent



² Indicative only. Difference in carbon footprint impact is based on The Coca-Cola Company global average data.

Drink in your hand performance

% carbon reduction from 2010 baseline

