CORPORATE RESPONSIBILITY & SUSTAINABILITY REPORT 2014/2015

Energy and Renewable Energy

OUR COMMITMENT
By 2020, we will manufacture every liter of product with 50 percent less carbon emissions for every liter of product we manufacture and source 40 percent of our energy from renewable or low-carbon sources.

INTRODUCTION
In working towards a low-carbon future, we’ve set rigorous targets for reducing emissions across our value chain. Within our production plants, the focus is on making our manufacturing more energy efficient. In 2014, we invested $59 million in new energy-efficient production lines and equipment and $10 million in additional projects to reduce carbon emissions at our plants.

ENERGY CONSUMPTION AND ENERGY EFFICIENCY
The use of electricity and gas accounts for 90 percent of the total energy used in our manufacturing and distribution sites. In 2014, our manufacturing operations used a total of 461,095 megawatt hours (MWh) of energy, a decrease of 5.31 percent since 2007 despite a 5.44 percent increase in production volumes. This resulted in an average of 23.8 grams of CO₂e per liter of product produced, a 28 percent reduction against our 2007 baseline.

HIGHLIGHTS 2014
28% reduction in the CO₂e g/liter of product produced against our 2007 baseline.

5.5% of the energy we use for manufacturing comes from renewable/low-carbon sources.

74.14 energy use ratio (kWh/1,000 liters).¹

5.31% reduction in total energy use against 2007 baseline.

SUSTAINABILITY PLAN COMMITMENTS
50% Manufacture every liter of product with 50 percent less emissions by 2020.

40% Source 40 percent of our energy from renewable or low-carbon sources by 2020.

STRATEGY
Within our manufacturing operations, we aim to improve our energy efficiency and make greater use of alternative energy sources. This involves:
- Managing the energy we use and adopting best practices and behaviors.
- Investing in new and improved energy-efficient equipment.
- Investing in renewable and low-carbon energy sources, where possible.

WE REPORT OUR REDUCTIONS IN ENERGY CONSUMPTION AND CARBON EMISSIONS BASED AGAINST A 2007 BASELINE, IN LINE WITH OUR SUSTAINABILITY PLAN.

ENERGY MANAGEMENT
Central to our approach is the effective management of energy and carbon emissions with energy management and monitoring processes in place across CCE.

We use energy meters and inline monitoring and targeting systems to provide live data on the energy we’re using and to identify opportunities for improvement. In 2014, we continued the installation of more advanced systems which combine production data with information on water and energy consumption.
Linked directly to our production software, these tools provide real-time reporting which help our line operators meet our energy-use targets. These new systems have so far been installed at Dongen in the Netherlands and Dunkerque and Grigny in France. More will follow in 2015.

Six of our manufacturing operations (Antwerp, Gent and Chaudfontaine in Belgium, Marseille and Toulouse in France and Dongen in the Netherlands) hold the 'Energy-Savers’ certificate awarded under the Energy Savers program run jointly by The Coca-Cola Company and World Wildlife Fund (WWF).

Sixteen of our 17 sites are certified under the ISO 14001 environmental management standard and all meet the even more rigorous KORE requirement – The Coca-Cola Company's internal certification linked to quality, environmental and safety performance. Four of our sites (Wakefield and East Kilbride in Great Britain, Dunkerque in France and Chaudfontaine in Belgium) have also achieved the energy management standard, ISO 50001. We have also been ranked as one of the most energy efficient bottlers in the Coca-Cola system.

We have again been recognized as a leading manager of carbon with all our operations receiving the 2014 Carbon Trust Standard. In 2014, CCE became the first company to be accredited as a Low Energy Company (LEC). We achieved this accreditation through a training course run by the Energy Managers Association (EMA) which helped our IT managers understand the use of energy within our organization, the potential carbon impact of IT systems and how to increase our carbon and energy savings.

**INNOVATION AND TECHNOLOGY**

In our drive to conserve energy, we continue to invest in process innovation and energy-efficient technologies. The work includes centrally led projects in areas of high energy use and site-specific initiatives to address local opportunities, including:

**Bottle blower optimization**

Following a series of initiatives in 2013 to reduce the energy needed to blow our PET bottles, we have now redesigned the base of the moulds in which the bottles are blown so that the process requires less air pressure, and therefore less energy. The new design was tested in 2014 at Grigny in France, Antwerp in Belgium and Sidcup in Great Britain and will be rolled out to 10 more sites in 2015. We expect that this will result in 2,500 MWh less energy used, equivalent to a reduction of 560 tonnes CO₂ e.

**LED energy-efficient lighting**

We continue to install energy-efficient LED and intelligent lighting systems in our sites. In 2014 there was further work at Sidcup and Northampton in Great Britain and at Grigny and Clamart in France. New lighting projects were implemented at Dunkerque in France, Antwerp in Belgium and East Kilbride in Great Britain. These projects resulted in a reduction of 2,323 MWh in electricity usage, an equivalent of 760 tonnes of CO₂ e in 2014 (see employee spotlight).

**Packaging oven optimization**

Wrapping shrink film over packs of bottles or cans involves heating the film. Having previously used electricity for this purpose, we’re now converting our heating equipment to gas which is less carbon-intensive. This multi-site project continued in 2014 with packer ovens converted at Sidcup and Edmonton in Great Britain. Others will follow in 2015 at Milton Keynes and East Kilbride in Great Britain, Dongen in the Netherlands, and Marseille and Toulouse in France. The work so far has cut the carbon footprint of our ovens by approximately 25 percent.

**CHP at Wakefield**

Combined heat and power (CHP) systems can cut carbon emissions by generating electricity and heat from natural gas and are practical as long as there is sufficient demand for both. A feasibility study across our sites identified our largest plant, Wakefield, as offering the best opportunity for CHP. Since the CHP started in July 2014, this equipment has delivered 4,785 MWh of electricity and 3,185 MWh of heat. This reduced the site's carbon footprint by 770 tonnes of CO₂ e. On a yearly basis these figures will double. Plans are also under way for a CHP system at Milton Keynes in Great Britain and at Gent in Belgium.

**EMPLOYEE SPOTLIGHT**

**LED lighting project in Dunkerque.**

The aim of our ‘smart lighting’ project was to optimize the lighting in our Dunkerque manufacturing operation. This depended on the activity in each area, the contribution of natural light as well as the inclusion of motion sensors installed on each LED light. The project required close collaboration with LED light suppliers, so that the installation could take place without disrupting production, providing a safe working environment, and also ensuring the most energy efficient solutions were selected.

Nearly 400 LED fixtures were installed to replace 600 light fittings. The complex installation had to be undertaken at heights of 10-12 meters, requiring the use of aerial work platforms and scaffolding.

I was proud to be part of the installation team. As a result of this project, approximately 1,500 MWh are saved annually, about 7 percent of the electricity consumption of our Dunkerque manufacturing operations.

**RENEWABLE AND LOW-CARBON ENERGY**

At present, approximately 5.5 percent of our manufacturing energy comes from renewable and low-carbon sources, saving more than 3,500 tonnes of CO₂ e a year. As a result, we were able to generate 26,444 MWh of energy in 2014 from renewable sources. We plan to further grow this area in the future, through investment in the following types of projects:

**District heating**

District heating provides efficiencies by enabling businesses and homes to use a centrally generated source of heat. However, this is only available in some of the areas in which we operate. Our manufacturing operations in Norway and Sweden are linked to district heating systems fueled by biomass, drawing approximately 23 percent and 37 percent of their energy respectively from this source.

**Turning waste heat into energy**

At Dongen in the Netherlands, we are working with the Ardagh Group to investigate whether we can capture and use waste heat from Ardagh’s glass production plant at our own manufacturing operations next door. Tests carried out in 2013 and 2014 have confirmed that it is feasible to recover the heat. In 2015, a detailed engineering study will indicate whether the project is financially viable.

**Combined heat and power**

Our first combined heat and power (CHP) system was installed this year at Wakefield in Great Britain (see case study).

**Solar photovoltaic**

We generated more than 150 MWh of electricity through solar photovoltaic panels in our operations in 2014. These panels have been newly installed at our manufacturing operations in Chaudfontaine, Belgium, and Marseille, France. These join previous installations at our manufacturing operations in Edmonton, Sidcup, Wakefield and our offices in Uxbridge in Great Britain.

**Wind**

Wind turbines require sufficient wind and land in order to be a viable source of energy. After surveying our sites we’ve developed plans for a five-turbine wind farm at Dongen in the Netherlands. One or two wind turbines would be located on our site, the others would be located at another industrial plant in the area. The project is now subject to approval by the local authorities.