



2017 Sustainability Report

2017 Climate Update: Doing Business the Right Way and Driving Collaboration on Climate

By: [The Coca-Cola Company](#) | Aug 24, 2018

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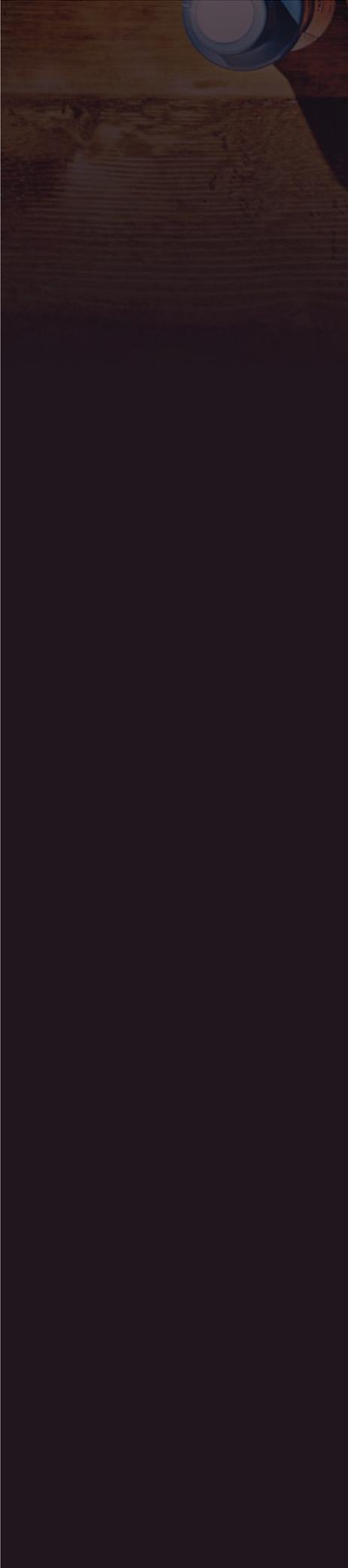


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Climate change is a profound challenge, and we are partnering with other businesses, civil society organizations and governments to support cooperative action on this critical issue.

We also recognize climate change may have long-term direct and indirect implications for our business and supply chain. And it could affect water resources, negatively impacting availability and quality in certain regions. With water critical to our business, the effects of climate change on this important natural resource are of significant concern.

In 2013, we set [a goal to reduce the carbon footprint of the “drink in your hand” by 25% by 2020 against a 2010 baseline](#). Meeting this goal will require us to reduce emissions across our operations and supply chain. Through innovation and collaboration, we are working to reduce



emissions across our manufacturing operations, as well as emissions associated with growing our ingredients, producing our packaging, and distributing and refrigerating our products. We are also focused on mitigating against any impacts climate change may have on our business.

Making climate protection progress requires us to take a lead on action, but also demands collaboration and cooperation. At the [2017 UN Climate talks \(COP23\)](#),

The Coca-Cola Company joined the movement led by the NGO and business community to demonstrate America's resolve to remain a global frontrunner in reducing greenhouse gas emissions. Ben Jordan, Senior Director of Environmental Policy at

The Coca-Cola Company, participated in the panel, "[We're All in This Together](#)," where major businesses shared targets, energy goals and other strategies toward a low-carbon U.S. economy.

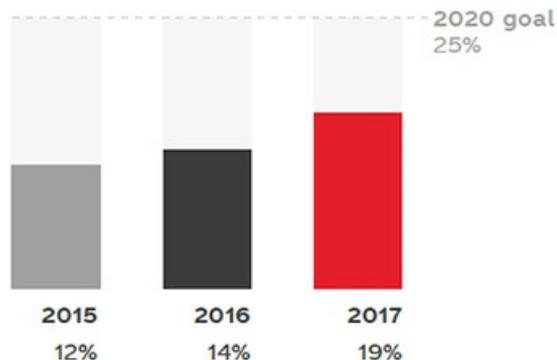
Working to Achieve the "Drink in Your Hand" Goal

In 2017, it is estimated we reduced the CO₂ embedded in the Coca-Cola "drink in your hand" by 19% below 2010 levels, and we believe we can potentially meet our 2020 goal. Contributing to our 2017 progress was an improvement in energy efficiency within our manufacturing operations.



CLIMATE

Estimated percentage reduction of the carbon footprint of the “drink in your hand” since 2010*



Also contributing to 2017 progress was the distribution of more than 10.5 billion PlantBottle™ packages, which have a lower material carbon footprint than virgin PET, as well as the placement of 730,876 units of HFC-free refrigeration equipment. These placements mean 65% of all coolers introduced in 2017 were HFC-free, exceeding 3 million pieces of HFC-free cooling equipment introduced since 2009. We are also continuing to work on reducing the emissions of our system’s global fleet of trucks, cars and other vehicles.

Experiencing Success and Challenges in Manufacturing

When it comes to the sustainability of our manufacturing processes, we’ve realized progress but also faced obstacles. While our Energy Use Ratio has improved 11% since 2010, in 2017 it improved 1% to essentially remain flat at 0.40 vs. 2016. Our global manufacturing emissions in 2017 were an estimated 5.54 million metric tons, compared to 5.4 million metric tons in 2016. We estimate that energy efficiency initiatives since 2004 have saved our global system more than \$1 billion. We remain focused on decreasing emissions in both developed and developing countries, to support reducing our total manufacturing emissions across all our bottling plants in more than 200 countries and territories.

We continue to work with our bottling partners on the “[Top 10 Energy Saving Challenge](#),” a program developed and launched with partner World Wildlife Fund (WWF) in 2010. Adoption of the program’s 10 simple, money-saving, energy-efficiency measures at manufacturing plants is greatly contributing to the company’s carbon reduction and our overall goal to reduce the carbon footprint of the “drink in your hand.”

At the end of 2017, all of our plants had registered in the Top 10 Energy Saving Challenge, with one-third having completed the full challenge. More than 50% of plants have implemented seven out of 10 energy-efficiency measures.

Building Climate Resilience

In addition to climate mitigation measures, we are also focused on climate adaptation and resilience building to position our company for overcoming the potential impacts of climate change.

In 2017, we partnered with Business for Social responsibility (BSR) to develop [a more holistic picture of our value chain climate risks](#) and identify opportunities to build resilience across our operations, supply chain and communities where we operate. As a starting point, we identified seven markets—Argentina, Brazil, China, India, Kenya, Mexico and the United States—and two commodities—coffee and tea—to serve as initial proxies for the full Coca-Cola system [value chain](#).



**HOW WE ARE
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infographic

Using analysis from these proxies, combined with other information, we developed a framework for identifying and prioritizing climate-related risks, and mapped our existing programs and initiatives to high-priority risks. The framework aims to integrate resilience into our existing strategy, risk management and sustainability systems, and to amplify our sustainability programs, including women's empowerment.

Building climate resilience isn't a new strategy for the Coca-Cola system. Business Continuity Plans have long been in place across our system and have proven successful. When Hurricane Maria hit Puerto Rico on September 20, 2017, our local concentrate plant and bottling partners were impacted. However, they were able to [recover and assist others due to climate preparedness.](#)

Coca-Cola Puerto Rico Bottlers, for example, had invested for years in vertically integrating its supply chain and minimizing dependence on the U.S. mainland for supplies. The ability to produce CO₂ and packaging, as well as the capacity to store large amounts of key ingredients, allowed bottling plants to start producing within days, despite significant exterior damage to buildings.

Advancing Renewable Energy

Across our entire Coca-Cola system, we're working to advance our investments in renewable energy. We created a Clean Energy Toolkit to help our local teams make informed decisions on potential investment opportunities, and we have been working locally in several markets to embrace renewable energy initiatives.

Commercial Products Supply, the concentrate and beverage-base arm of the company, has initiated nine renewable energy projects across seven plants, including in India and Pakistan, where mid-sized solar projects are active. In Pakistan, on average, the solar

installation provides about 9% of the plant's total energy. In 2017 in India, 126,100 kilowatt hours were produced by solar, which makes up about 7% of the plant's total energy use and more than 10% of its electricity consumption. This will nearly double when the additional solar panels begin producing energy in the second phase of the project.

Several of our bottling partners have their own renewable energy commitments. While these partners are not owned by the company, their efforts are captured under the manufacturing pillar of our "drink in your hand" goal and are critical in helping deliver results as a system.

[Coca-Cola Amatil in Fiji](#), for example, is generating around 40% of its Suva manufacturing facility's total energy requirements from the sun, following the installation of more than 3,860 solar panels on its roof. The 1.1 megawatt solar system produces 1,408,000 kilowatt hours of energy per year, saving 974 tons of CO₂ annually—the equivalent of saving 414,722 liters of diesel per year or planting 24,964 trees. When the second stage of the project is complete, it is anticipated that 80% of the site's energy needs will be solar powered.

Additional bottling partner progress includes:

- Arca Continental, our second largest bottler in Latin America, has a goal of getting 30% of its total electricity needs from renewable resources by 2020, and reached 25% by the end of 2017.
- Coca-Cola European Partners (CCEP) committed to sourcing 100 percent of its electricity from renewable sources by 2020. By the end of 2017, 87% of CCEP's purchased electricity came from renewable sources.
- Coca-Cola FEMSA is aiming for 85% renewable electricity for manufacturing in Mexico by 2020, and achieved 57% as of the end of 2017. In 2017, 100% of

Coca-Cola FEMSA's Brazilian bottling operations' power needs were covered with clean energy.

- Coca-Cola Hellenic Bottling Company has committed to getting 40% of their total energy use from renewable and clean energy sources by 2020, and reached 34% as of the end of 2017.
- [Hindustan Coca-Cola Beverages](#) in India has a renewable energy goal of meeting 40% of total energy needs by the end of 2018. It is on track to achieve this goal, having reached 35% as of the end of 2017.

Our Coca-Cola system “drink in your hand” goal, which was announced in 2013, and the calculations to track our progress have been internally vetted using accepted and relevant scientific and technical methodologies. As we approach 2020, we are assessing our approach to climate targets in the context of the improved understanding of climate science.

[Read More: Coca-Cola's Journey Toward Climate Resilience](#)

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