



## CDP 2012 Investor CDP 2012 Information Request

### Module: Introduction

#### Page: Introduction

##### 0.1

##### Introduction

**Please give a general description and introduction to your organization**

Coca-Cola Amatil (Aust) Ltd (CCA) is one of Australia's largest premium branded beverage and food companies. It is part of the Coca-Cola Amatil Group which is an ASX Top 30 company and one of the world's top five Coca-Cola bottlers. CCA operates non-alcoholic and alcoholic beverage businesses, and also owns Australia's largest premium packaged fruit and vegetable company, SPC Ardmona and the Grinders coffee range.

The major brands we produce, sell and distribute include Coca-Cola, Coca-Cola Zero, diet Coke, Sprite and Fanta, Mount Franklin, Pump, Pumped, Neverfail Springwater, Powerade Isotonic, Kirks, GLACEAU vitaminwater, Mother energy drink, Goulburn Valley fruit juices, smoothies and flavoured milks, Deep Spring, Grinders Coffee and SPC Ardmona and Goulburn Valley packaged fruit and vegetable products. In addition, CCA has a premium spirits and alcoholic ready-to-drink (ARTD) beverage business, which includes the Jim Beam range of products.

Our CDP 2012 submission compiles and analyses data to represent all CCA operations across Australia which contributed approximately 81% of Group EBIT in 2011.

In Australia, we operate nine production facilities (41 beverage production lines) and 19 warehouses and over 100 sales offices. In 2011, we had 5,216 employees (4,416FTE) and approximately 117,357 customers.

CCA's environmental risk management and climate change response is supported by the maintenance of our ISO 14001:2004 certified environmental management system (EMS). All of CCA's major production operations in Australia are also certified to ISO 9001 and FSSC 22000 (ISO22000:PAS220).

CCA sets continuous improvement targets for quality, food safety, health & safety and environmental performance, with every CCA manufacturing facility recording monthly environmental metric data including energy, waste and water. Our targets, some of which are included in senior management KPIs, are stretch targets that will require on-going focus to be achieved, and progress against them is reported to senior management on a monthly basis as a minimum as part of a Supply Chain balanced scorecard, and every quarter to the Compliance and Social Responsibility Committee of the CCA Board.

CCA is required to report under the National Greenhouse and Energy Reporting (NGER) and the Energy Efficiencies Opportunities (EEO) schemes. In addition, CCA is a signatory to the Australian Packaging Covenant.

Since 2008, we have significantly reduced the environment impacts of our operations. We have improved our plant energy and water use efficiency by 11.8% and 7.3% respectively, and have also reduced waste to landfill by 7.1%. Our GHG emissions also decreased in both absolute and intensity terms, when comparing the current to previous reporting periods.

The Coca-Cola Amatil Group 2011 Sustainability Report provides further details on our key environmental focus, approach and metrics, and can be found online at <http://cca2011crr.reportonline.com.au/>.

##### 0.2

##### Reporting Year

**Please state the start and end date of the year for which you are reporting data.**

**The current reporting year is the latest/most recent 12-month period for which data is reported. Enter the dates of this year first.**

**We request data for more than one reporting period for some emission accounting questions. Please provide data for the three years prior to the current reporting year if you have not provided this information before, or if this is the first time you have answered a CDP information request. (This does not apply if you have been offered and selected the option of answering the shorter questionnaire). If you are going to provide additional**

years of data, please give the dates of those reporting periods here. Work backwards from the most recent reporting year.

Please enter dates in following format: day(DD)/month(MM)/year(YYYY) (i.e. 31/01/2001).

Enter Periods that will be disclosed

Thu 01 Jul 2010 - Thu 30 Jun 2011

0.3

### Country list configuration

Please select the countries for which you will be supplying data. This selection will be carried forward to assist you in completing your response

Select country

Australia

0.4

### Currency selection

Please select the currency in which you would like to submit your response. All financial information contained in the response should be in this currency.

AUD (\$)

0.5

Please select if you wish to complete a shorter information request

0.6

### Modules

As part of the Investor CDP information request, electric utilities, companies with electric utility activities or assets, companies in the automobile or auto component manufacture sectors and companies in the oil and gas industry should complete supplementary questions in addition to the main questionnaire.

If you are in these sectors (according to the Global Industry Classification Standard (GICS)), the corresponding sector modules will be marked as default options to your information request. If you want to query your classification, please email [respond@cdproject.net](mailto:respond@cdproject.net).

If you have not been presented with a sector module that you consider would be appropriate for your company to answer, please select the module below. If you wish to view the questions first, please see <https://www.cdproject.net/en-US/Programmes/Pages/More-questionnaires.aspx>.

## Module: Management [Investor]

### Page: 1. Governance

1.1

Where is the highest level of direct responsibility for climate change within your company?

Individual/Sub-set of the Board or other committee appointed by the Board

1.1a

Please identify the position of the individual or name of the committee with this responsibility

i) The Compliance and Social Responsibility (C&SR) Committee of the Coca-Cola Amatil Group Board

ii) Membership of the C&SR Committee comprises at least three Non-Executive Directors. The Committee regularly reviews and reports to the Board on compliance with laws including occupational health and safety, environmental protection, product safety and trade practices. The Committee also reviews policies reflecting on the Company's reputation, including quality standards, dealing in the Company's securities and disclosure. It's responsibilities include – Diversity: recommend to the Board measurable objectives to be set in accordance with the Diversity Policy and review and report to the Board, on an annual basis, on the effectiveness of the Diversity Policy; Social responsibility: review reports and make recommendations to the Board, where appropriate, in respect of political donations, community sponsorship and support and relevant social issues such as obesity, environmental sustainability initiatives, and CCA's carbon footprint and other social issues that may be relevant to the Company.

Environmental metrics and scope 1 and 2 emissions are reported to this Committee which meets at least three times annually. Every 18 months a sustainability report is prepared which details progress

against Coca-Cola Amatil Group's goals across four defined pillars of sustainability: environment, marketplace, workplace and community.

In addition, the Risk and Audit Committee of the Coca-Cola Amatil Group Board has among other responsibilities, responsibility for risk management – ensuring the Group has effective policies in place covering key risks including, but not limited to, overall business risk in the Group's operations, treasury risk (including currency and borrowing), procurement, insurance, taxation and litigation. The process involves identifying, assessing, monitoring, managing and reporting key risks across the Group. Where climate change is deemed to represent a material risk to the business, the Risk and Audit Committee is responsible for reporting to the Board on the matter.

**1.2**

**Do you provide incentives for the management of climate change issues, including the attainment of targets?**

Yes

**1.2a**

**Please complete the table**

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
Executive officer	Monetary reward	Payment of "At Risk" remuneration (bonus) for two members of the Australian Executive team - the Director of Supply Chain and Director of Corporate Affairs - are in part contingent on delivery of climate change risk mitigation projects detailed in their performance plans. In 2011 examples included continued implementation of large-scale capital projects that deliver energy and/or raw material efficiencies (e.g. "Blowfill" bottle self-manufacture which is enabling significant light weighting of primary and secondary packaging to deliver cost savings and a 22% carbon reduction per average bottle), delivery of an industry mechanism to increase recycling rates of PET, glass and aluminium (reuse of precious raw materials and an alternative to expensive, inefficient regulated schemes) and success in delivering capital cost savings to CCA by leveraging Government grant opportunities for plant and equipment introduced to support the new low carbon Australia and a competitive manufacturing industry in Australia.
Business unit managers	Monetary reward	Payment of "At Risk" remuneration (bonus) for business unit managers across a number of areas including Supply Chain, Procurement, Corporate Affairs and Sales, are in part contingent on delivery of climate change risk management and opportunity maximisation projects as detailed in their performance plans. In 2011 examples included the successful, on-plan delivery of 3 "Blowfill" bottle self-manufacture lines across Australia; new, light weighted packaging designs brought to market to realise raw material savings; and a sales engagement program designed to deliver reduced power bills for some of CCA's smaller retail customers and incremental sales for CCA via the sell-in of CCA's most energy efficient cooler.
Environment/sustainability managers	Monetary reward	Payment of "At Risk" remuneration (bonus) for the National Environment Manager and State Environment Manager are largely contingent on delivery of energy, water and waste efficiencies and reductions - and the projects that drive them - across manufacturing facilities as detailed in individual performance plans and aligned with national targets set for the business.
All employees	Recognition (non-monetary)	During CCA's annual internal sustainability engagement month (Sustainability September) each site/state is tasked with driving activations against CCA's four pillars of sustainability: marketplace, environment, workplace and community. The 2011 program included the Sustainability September Sales Drive Challenge which saw each state's sales team engage with smaller retail customers to deliver increased energy efficiency and reduced power bills for them and incremental sales for

Who is entitled to benefit from these incentives?	The type of incentives	Incentivised performance indicator
All employees	Recognition (non-monetary)	<p>CCA, via the sell-in of CCA's most energy efficient cooler. This program made up 25% of each state's score for sustainability under the annual Managing Director's (MD's) Award and in 2011, the state with the best results from the Sales Drive Challenge was in fact recognised with the highest overall score for sustainability, bolstering their state's score in the MD's Award. This Award is hotly contested across the business, and is viewed as one of the highest forms of recognition for teams and their state management.</p> <p>Innov8 is CCA's national innovation program which enables everyone in our organisation the opportunity to gain the respect of their peers and managers by putting their innovation forward. There are 6 categories, including a sustainability category. Submissions are judged against three criteria: impact; likelihood of benefits; and ease of implementation and transferability. Awards are given for state department winners, state winners, and national winners across each of the six categories. There is also one national winner chosen from each national category winner. In 2011 there were 40 innovations implemented in the sustainability category, and the winner of the national award was a climate change-related innovation focused on reducing the energy use and CO<sub>2</sub>-e of CCA vending machines by enabling all vending machines to "sleep mode" overnight. The innovation is now included as a firm option for our sales representatives when ordering new equipment for the market.</p>

**Page: 2. Strategy**

**2.1**

**Please select the option that best describes your risk management procedures with regard to climate change risks and opportunities**

Integrated into multi-disciplinary company wide risk management processes

**2.1a**

**Please provide further details (see guidance)**

**a) Scope of process**

CCA has an operational risk focus which means any risk that can impact business operations - be it political, financial, operational, environmental, social, etc - is in scope. The Group Chief Risk Officer, in consultation with the Australian Executive Management Team determines the Risk Profile for the business on a quarterly basis through a process in compliance with ISO 31000 (Risk Management) and Australian Standards. The Risk Profile details all operational risks - inclusive of climate change-related risks - and documents the current state of play, control environment and residual risk for each identified risk.

**b) How risks/opportunities are assessed at a company-wide level**

Assessment of risk at a company level is carried out by the Chief Risk Officer in consultation with the Australian Executive Management team and is based on both the likelihood (rare - event only likely to occur in exceptional circumstances which is classified as <10% chance - to almost certain - event will occur in one year time period and expected to happen in most circumstances/is happening now which is classified as >85% chance) and profit impact (insignificant to significant, where significant indicates a material profit risk) of the identified risks.

**c) How risks/opportunities are assessed at an asset level**

Assessment of risk at an asset level is carried out by the Site Leadership team and is based on both the likelihood and impact of the identified risks. Identified risks are reported through to the Australian Executive Management Team so they may be considered when the Chief Risk Officer consults with the Australian Executive Management team on company-wide risks for the Risk Profile.

**d) Frequency of monitoring**

The Risk Profile is updated quarterly.

**e) Criteria for materiality/priorities**

CCA has an operational risk focus which means any risk that can impact business operations - be it political, financial, operational, environmental, social, etc - is included in the Risk Profile. Risks are mapped and prioritised based on two key criteria: likelihood (rare - event only likely to occur in exceptional circumstances which is classified as <10% chance - to almost certain - event will occur in one year time period and expected to happen in most circumstances/is happening now which is classified as >85% chance) and profit impact (insignificant to significant, where significant indicates a material profit risk). Risks are prioritised based on a residual risk rating of insignificant to extreme which is assigned based on the impact of the risk in regard to three criteria: impact on achievement of CCA's mission/objectives; financial impact and reputation.

**f) To whom are the results reported**

The risk profile is delivered at least annually to the Audit and Risk Committee of the CCA Board. In 2011 the risk profile for the Australian business was delivered twice to the Committee. Where a risk identified is climate change-related (or, more broadly, environment-related), more detailed information on the state of play, control environment and residual risk is communicated to the Compliance and Social Responsibility Committee of the CCA Board.

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**2.2**

**Is climate change integrated into your business strategy?**

Yes

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**2.2a**

**Please describe the process and outcomes (see guidance)**

**a) Process by which the strategy is influenced**

As a publicly listed company, the objective of our strategy is to deliver positive shareholder outcomes through a focus on strengthening our leadership position to drive earnings growth.

The risk management process described in 2.1a plays a role, as does our business and consumer insights work which helps us identify opportunities in the marketplace relative to the current and expected future operating environment.

The strategy development process occurs at each business unit level before being elevated to the Australian Executive Management Team who is responsible for evaluating the merits of each major strategy identified and developing the company-wide priorities. The company-wide plan is presented and discussed with the Group CEO and onwards to the Board.

**b) What aspects of climate change have influenced the strategy**

The need for assured supply of agricultural inputs such as sugar cane, fruit, vegetables and water; and increasing costs as a result of climate change (whether through a Government-imposed price on carbon, increasing insurance premiums due to higher rates of natural disaster, or other) offer CCA an opportunity to better manage our cost base comparative to competitors, and to offer our customers opportunities to reduce their cost inputs through energy efficient equipment, whilst also increasing revenues through products that appeal to the needs and wants of consumers, including products that appeal to the environmentally or socially-conscious consumer. Examples include lighter weight packaging that reduces the product's environmental footprint.

**c) Short term strategy changes**

1. Investment of resources to understand and minimise carbon in the supply chain: With the Australian Government's imminent introduction of a carbon price mechanism, CCA has focused resources on understanding where and how energy is used throughout our value chain, so that any price impact attached to carbon can be minimised. Minimisation mechanisms include: efficiency projects within our facilities, collaboration with suppliers to improve their energy efficiency; collaboration with suppliers to improve the energy efficiency of any equipment supplied to us for use in our facilities or for gifting to customers; collaboration with competitors, broader industry and customers to improve recycling rates for precious resources such as PET, glass and aluminium; and collaboration with industry to develop markets for recycled resources (e.g. through the purchase of rPET).

2. Investment of resources into investigating opportunities to reduce CCA capital costs for anticipated spend or to bring forward capital investment to take advantage of one-off Government assistance available as Australia transitions to a low carbon economy: Examples include tapping into the Clean Technology Food and Foundries Investment Program.

**d) Long term strategy changes**

1. Capital investment to deliver operational efficiencies and enhanced customer servicing capability: CCA continues to look to accelerate capital expenditure as a percentage of revenue to achieve organic growth. The major project under Project Zero - a \$450 million Group investment in "blowfill" bottle self manufacture - means CCA is able to produce some of the world's lightest PET beverage bottles and has reduced the carbon footprint of every bottle by more than 20%. In 2011 three additional "blowfill" lines

were commissioned in Australia: two in South Australia and one in Victoria. In addition, CCA is investing in efficient cold drink equipment to differentiate CCA from competitors.

2. Strengthened supply chain collaboration through formalised supplier innovation program: CCA introduced the Supplier of the Year program in 2009 to encourage our top 65 suppliers to identify opportunities to: increase revenue, reduce costs, improve customer service and support our sustainability strategy. To qualify for the program annually, a joint business plan must be produced, inclusive of three key areas: an operating plan, innovation plan and business partner plan.

3. Coke System commitment to carbon reduction targets: The global Coke system goal is to "grow our business but not our systemwide carbon emissions in our manufacturing operations through 2015 compared with our 2004 baseline." To contribute to the Systems' delivery of this goal, CCA has set internal targets to improve plant energy efficiency and to improve the energy performance of CCA's base 2-door cooler, of which there are around 60,000 in customer premises across Australia.

4. Coke System commitment to "take action to reduce emissions of GHG in cold drink equipment" by phasing out the use of HFCs in all new cold drink equipment by 2015.

#### **e) Strategic advantage**

CCA's approach to capital investment and value chain collaborations mean we are managing the risks and opportunities presented to our business by the new low carbon economy, to drive shareholder returns. We are doing so by maintaining a competitive cost base and driving revenue growth through leveraging resulting customer and consumer advantages.

For CCA customers - current and prospective - we will continue to be able to offer quality products and service at value for money prices while offering energy-efficient equipment which keeps their cost base down, and a product portfolio that drives sales amongst their environmentally and socially-conscious consumers.

#### **f) Substantial business decisions**

In 2011, the most substantial business decisions were taken at a business unit level within the framework set by our risk management process, and short and long-term strategic plans. Examples include: decisions on light weighting projects by the supply chain team enabled by the strategic decision to invest in "blowfill" bottle self manufacture technology; decisions by the equipment services team to collaborate/invest in even more energy efficient equipment to make CCA equipment the most attractive in market to customers; decisions by our marketing team to communicate with consumers on light weighted packaging - most notably through our Mount Franklin Easy-Crush Bottle campaign; and decisions by our sales team to drive account growth - both with existing and new customers - through communication of CCA's sustainability approach and the products, processes and equipment that we can offer to drive a sustainable outcome for customers.

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### **2.3**

#### **Do you engage with policy makers to encourage further action on mitigation and/or adaptation?**

Yes

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### **2.3a**

#### **Please explain (i) the engagement process and (ii) actions you are advocating**

##### **i) Engagement process**

In 2011, CCA engaged with policy makers through a number of forums. Most notably, CCA's Group CEO was a member of the Federal Opposition Business Advisory Council, the purpose of which is to provide feedback to the federal opposition on its direct action climate change policy.

CCA also provided a written submission and spoken evidence to the Senate Select Committee into Australia's Food Processing Sector which was established to investigate:

- the competitiveness and future viability of Australia's food processing sector in global markets;
- the regulatory environment for Australia's food processing and manufacturing companies
- the impact of Australia's competition regime and the food retail sector, on the food processing sector, including the effectiveness of the Competition and Consumer Act 2010;
- the effectiveness of anti-dumping rules;
- the costs of production inputs including raw materials, labour, energy and water;
- the effect of international anti-free trade measures;
- the access to efficient and quality infrastructure, investment capital and skilled labour and skills training; and
- any other related matter.

CCA was a showcase member of the Australian Food and Grocery Council's Tasting Showcase at Parliament House in Canberra - a forum used to engage with policy makers on the risks and opportunities currently facing/on offer to Australia's food manufacturing industry. The aim of the industry

showcase was to guide policy development on key issues such as support of Australian manufacturing as we transition to a low carbon Australia.

In addition, 2011 saw CCA partner with leading companies in the beverage manufacturing and packaging sector (Amcor Australia, Lion, Schweppes Australia and Visy) to devise a plan for increasing recycling rates of precious and often carbon-intensive raw materials; a plan that CCA has engaged broadly with state and federal governments on in anticipation of 2012 COAG meetings.

**ii) Actions being advocated**

Within all forums, CCA has advocated for:

- Accelerated depreciation for water and carbon emission reducing equipment and technology.
- Restoration of a reasonable level of R&D for the manufacturing sector, particularly food and beverage manufacturing.
- Support for cost effective and efficient, industry-led solutions to issues like packaging waste and recycling.

All would help support industry to move more quickly towards low carbon manufacturing, and to play a larger role in meeting Australia's emission reduction targets.

**Page: 3. Targets and Initiatives**

**3.1**

**Did you have an emissions reduction target that was active (ongoing or reached completion) in the reporting year?**

Intensity target

**3.1b**

**Please provide details of your intensity target**

ID	Scope	% of emissions in scope	% reduction from base year	Metric	Base year	Normalized base year emissions	Target year	Comment
1	Scope 1+2	95%	20%	Other: Megajoules/Finished Beverage Litre	2008	0.34	2015	Target is to improve plant energy efficiency. CCA also operates a number of small sales offices across the country that also contribute to CCA's scope 2 emissions.
2	Scope 3: Capital goods		65%	Other: kWh/day/cooler	2008	11.75	2015	Target is to improve the energy efficiency of CCA's base 2-door cooler. The 2-door cooler is the most prevalent piece of equipment in CCA's fleet.

**3.1c**

Please also indicate what change in absolute emissions this intensity target reflects

ID	Direction of change anticipated in absolute Scope 1+2 emissions at target completion?	% change anticipated in absolute Scope 1+2 emissions	Direction of change anticipated in absolute Scope 3 emissions at target completion?	% change anticipated in absolute Scope 3 emissions	Comments

**3.1d**

Please provide details on your progress against this target made in the reporting year

ID	% complete (time)	% complete (emissions)	Comment
1	50	60	The target covers an 8 year period and at the end of 2011 (half way through the period), we had achieved an 11.8% reduction in energy use compared to the base year.
2	50	85	The target covers an 8 year period and at the end of 2011 (half way through the period), we had achieved and 55% reduction in energy use compared to the base year cooler model.

**3.2**

Does the use of your goods and/or services directly enable GHG emissions to be avoided by a third party?

Yes

**3.2a**

Please provide details (see guidance)

**a) Explanation of how emissions are avoided**

By gifting to customers CCA's energy efficient 2-door cooler as opposed to the 2-door cooler in the base line year, CCA customers can avoid emissions that would otherwise have been generated by the less energy efficient cooler model.

**b) Estimation of avoided emissions**

If our target is achieved, customers will avoid between 2.3T and 3.8T CO<sub>2</sub>-e emissions per cooler per year.

**c) Methodology, assumptions, emissions factors and GWPs if figure is given in CO<sub>2</sub>-e**

Cooler energy efficiency is measured in kWh with energy use calculated from Minimum Energy Performance Standards – MEPs (conducted at 25 degrees Celsius, 60% humidity) - published by the Australian Government for commercial refrigerators. MEPs has been in place since 2004. Annual kWh per cooler has been established for both the base year model (at 11.75kWh) and the 2015 target model (at 4kWh/day) over 365 days. CO<sub>2</sub>-e per kWh has been calculated by state as detailed in the Source: <http://www.carbonneutral.com.au/carbon-calculator/energy.html>

**d) Consideration of originating credits**

In 2011 originating credits were not considered, however CCA is working with our major energy supplier to potentially apply for credits in 2012.

**3.3**

Did you have emissions reduction initiatives that were active within the reporting year (this can include those in the planning and/or implementation phases)

Yes

**3.3a**

Please identify the total number of projects at each stage of development, and for those in the implementation stages, estimated CO<sub>2</sub>e savings

Stage of development	Number of projects	Total estimated annual CO <sub>2</sub> e savings (only for rows marked *)
Under investigation	6	5165
To be implemented*	0	0
Implementation commenced*	2	1

Stage of development	Number of projects	Total estimated annual CO2e savings (only for rows marked *)
Implemented*	86	5785
Not to be implemented	129	22607

**3.3b**

For those initiatives implemented in the reporting year, please provide details in the table below

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Product design	The most significant initiative of CCA over this reporting period was to continue the rollout of "blowfill" bottle self manufacture technology in the Australian beverage manufacturing business with new production line installations in South Australia and Victoria. At \$450 million, "blowfill" is the CCA Group's largest capital investment in a decade and is enabling the business to produce lighter weight PET bottles, reducing emissions by over 20% compared to the previous same volume container. Investment in "blowfill" is the major project under our Project Zero capital investment program which is enabling us to manufacture PET resin plastic beverage bottles on our production lines, delivering greater efficiencies in production, cost and customer service, whilst also exciting and motivating our people to innovate our packaging, and processes, using this new technology.				
Energy efficiency: building services	Lighting upgrades and management systems were fitted to two of CCA's major manufacturing facilities in 2011. Projects included an upgrade to the lighting in the Bayswater facility in Melbourne and the installation of a lighting management system and increased use of natural light at the Smithfield facility in Sydney. The two opportunities represent a commitment to both new technology and innovation, as well as cost effective energy efficiency with similar initiatives continuing to be rolled out in 2012. Combined the sites achieved the totals shown in the adjacent savings columns.	1541	164000	720000	>3 years
Energy efficiency: processes	Compressed air for container drying was eliminated at the Thebarton facility in Adelaide. By switching from air "knives" consuming compressed air to motor driven blowers able to serve the same duty the site was able to eliminate a highly	252	8200	6500	<1 year

Activity type	Description of activity	Estimated annual CO2e savings	Annual monetary savings (unit currency)	Investment required (unit currency)	Payback period
Energy efficiency: building services	<p>inefficient use of energy and producer of carbon emissions. The practice of using blowers over compressed air knives has been rolling out to all CCA sites over several years and has been implemented wherever practical due to its low investment high return potential.</p> <p>Capturing and reuse of steam condensate in the SPCA Shepparton facility was completed in late 2010 with significant savings in energy and emissions realised. By installing a steam condensate recovery system the site has been able to realise over 19TJ of energy savings and 102ML of water savings.</p>	975	176000	350000	1-3 years
Product design	<p>In 2011, CCA continued to work with equipment suppliers to drive down the energy use of all equipment featured in CCA's fleet: including coolers, vending machines and fountains. Our investment in replacement capital for just our 1, 2 and 3-door cooler fleet in 2011, was able to achieve significant energy savings, translating to emissions reductions for our customers. We estimate that our replacement program in 2011 – where we focused on replacing our oldest and most energy inefficient coolers with our newest and most energy efficient models – could be helping our customers avoid approximately 60,000T CO2-e over the life of the cooler. We also estimate this to amount to power bill savings for our customers in the vicinity of \$18 million over the life of the cooler based on today's electricity prices adjusted for a 5.5% annual increase which is factored into Government modelling.</p>	7700	2300000	5500000	1-3 years

**3.3c**

**What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Compliance with regulatory requirements/standards	CCA is obligated to participate and report under both the EEO (Energy Efficiency Opportunities) and NGER (National Greenhouse and Energy Reporting) regulatory schemes. In addition, CCA's environmental management system is ISO 14001:2004 certified. Both CCA's mandatory requirements and ISO certification has driven identification of low payback energy and emissions savings opportunities and, in turn, investment.
Employee engagement	To ensure we harness the power of our people we run Sustainability September – a month long sustainability engagement focus annually. During Sustainability September each site/state is tasked with driving activations against CCA's four pillars of sustainability: marketplace,

Method	Comment
Internal price of carbon	<p>environment, workplace and community. Active involvement by all staff is encouraged, and delivers sustainable innovations and investment across the business. As an internal incentive, sustainability engagement makes up 10% of each state's score in the annual Managing Director's Award. This Award is hotly contested across the business, and is viewed as one of the highest forms of recognition for teams and their state management.</p> <p>The Australian government's imminent introduction of a carbon price mechanism has played a role in determining CCA's short term strategy for carbon management. While CCA will not have a direct liability, the introduction of a price on carbon brought with it a focus on where and how energy is used throughout our value chain, so that any price impact attached to carbon can be minimised. Minimisation mechanisms include: efficiency projects within our facilities, collaboration with suppliers to improve their energy efficiency; collaboration with suppliers to improve the energy efficiency of any equipment supplied to us for use in our facilities or for gifting to customers; collaboration with competitors, broader industry and customers to improve recycling rates for precious resources such as PET, glass and aluminium; and collaboration with industry to develop markets for recycled resources (e.g. through the purchase of rPET).</p>
Partnering with governments on technology development	<p>The Australian government at both Federal and State levels has a number of co-investment and rebate programs available to drive business investment in energy efficient and low emission products and processes. CCA has and continues to invest resources into investigating opportunities to reduce CCA capital costs for anticipated spend or to bring forward capital investment to take advantage of one-off Government assistance available as Australia transitions to a low carbon economy: examples include tapping into the Clean Technology Food and Foundries Investment Program.</p>
Internal incentives/recognition programs	<p>Payment of "At Risk" remuneration (bonus) for two members of the Australian Executive team - the Director of Supply Chain and Director of Corporate Affairs - are in part contingent on delivery of climate change risk mitigation projects detailed in their performance plans. Similarly, a proportion of "At Risk" remuneration for business unit managers across a number of areas including Supply Chain, Procurement, Corporate Affairs and Sales, and for our National Environment Manager and State Environment Managers, is connected to delivering energy efficiency programs and outcomes. In addition, Innov8 - as CCA's national innovation program - is used to drive investment in emissions reduction activities as it enables everyone in our organisation the opportunity to funnel ideas through a gate process to fruition and results, gaining the respect and recognition of their peers and management. Innov8 has an annual award component and there are 6 categories, including a sustainability category. Submissions are judged against three criteria: impact; likelihood of benefits; and ease of implementation and transferability. Awards are given for state department winners, state winners, and national winners across each of the six categories. There is also one national winner chosen from each national category winner. In 2011 there were 40 innovations implemented and recognised in the sustainability category.</p>
Other	<p>Competitive advantage - Increasing costs as a result of climate change (whether through a Government-imposed price on carbon, increasing insurance premiums due to higher rates of natural disaster, or other) offer CCA an opportunity to better manage our cost base comparative to competitors, and to offer our customers opportunities to reduce their cost inputs through energy efficient equipment, whilst also increasing revenues through a portfolio and products that appeal to the needs and wants of consumers, including products that appeal to the environmentally or socially-conscious consumer. This customer-centric opportunity is driving investment in plant efficiency projects, light weight packaging re-designs, brand marketing, and equipment innovation.</p>

**Further Information**

All figures in question 3.3a and 3.3b are quoted as Tonnes of CO2-e emissions.

**Page: 4. Communication**

**4.1**

**Have you published information about your company’s response to climate change and GHG emissions performance for this reporting year in other places than in your CDP response? If so, please attach the publication(s)**

Publication	Page/Section Reference	Identify the attachment
In other regulatory filings (complete)	All	Fourth Public Report under the Energy Efficiency Opportunities Act
In other regulatory filings (complete)	Online	2010-2011 NGERs
In voluntary communications (complete)	42-47	CCA 2011 Sustainability Report

**Further Information**

NGERS data available from the Commonwealth Government's Department of Climate Change and Energy Efficiency website: <http://www.climatechange.gov.au/government/initiatives/national-greenhouse-energy-reporting/publication-of-data.aspx>

**Attachments**

- [https://www.cdproject.net/Sites/2012/58/3558/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/2011 Energy Efficiency Opportunities Public Report .pdf](https://www.cdproject.net/Sites/2012/58/3558/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/4.Communication/2011%20Energy%20Efficiency%20Opportunities%20Public%20Report.pdf)
- [https://www.cdproject.net/Sites/2012/58/3558/Investor CDP 2012/Shared Documents/Attachments/InvestorCDP2012/4.Communication/CCA2011SustainabilityReport.pdf](https://www.cdproject.net/Sites/2012/58/3558/Investor%20CDP%202012/Shared%20Documents/Attachments/InvestorCDP2012/4.Communication/CCA2011SustainabilityReport.pdf)

**Module: Risks and Opportunities [Investor]**

**Page: 2012-Investor-Risks&Opps-ClimateChangeRisks**

**5.1**

**Have you identified any climate change risks (current or future) that have potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

- Risks driven by changes in regulation
- Risks driven by changes in physical climate parameters
- Risks driven by changes in other climate-related developments

**5.1a**

**Please describe your risks driven by changes in regulation**

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Carbon taxes	The Australian Government's carbon price mechanism is effective from 1 July 2012.	Increased operational cost	1-5 years	Indirect (Supply chain)	Virtually certain	Low

**5.1b**

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions**

**i) The potential financial implications**

CCA is a low energy intensive business and no facility breaches the 25,000 tonne CO2e Scope 1 emission threshold set by the Australian Government for the carbon pricing scheme. As a consequence, we do not expect to have a direct carbon price liability. However input costs for CCA along the supply chain may increase due to the introduction of a carbon price as suppliers pass on higher costs. There is also a risk that the cost to customers of running CCA equipment placed in their premises so they can

serve consumers cold, refreshing beverages and can maintain our food products at necessary temperatures for quality and safety, may impact their decisions to support our products.

## **ii) The methods being used to manage this risk**

### Short term strategy changes

1. Investment of resources to understand and minimise carbon in the supply chain: With the Australian Government's imminent introduction of a carbon price mechanism, CCA has focused resources on understanding where and how energy is used throughout our value chain, so that any price impact attached to carbon can be minimised. Minimisation mechanisms include: efficiency projects within our facilities, collaboration with suppliers to improve their energy efficiency; collaboration with suppliers to improve the energy efficiency of any equipment supplied to us for use in our facilities or for gifting to customers; collaboration with competitors, broader industry and customers to improve recycling rates for precious resources such as PET, glass and aluminium; and collaboration with industry to develop markets for recycled resources (e.g. through the purchase of rPET).

2. Investment of resources into investigating opportunities to reduce CCA capital costs for anticipated spend or to bring forward capital investment to take advantage of one-off Government assistance available as Australia transitions to a low carbon economy: Examples include tapping into the Clean Technology Food and Foundries Investment Program.

### Long term strategy changes

1. Capital investment to deliver operational efficiencies and enhanced customer servicing capability: The major project under Project Zero - a \$450 million Group investment in "blowfill" bottle self manufacture - means CCA is able to produce some of the world's lightest PET beverage bottles and has reduced the carbon footprint of every bottle by more than 20%. In 2011 three additional "blowfill" lines were commissioned in Australia: two in South Australia and one in Victoria and a total of 13 packaging light weighting projects were enabled through this investment. Among them, CCA reduced the weight of small carbonated soft drink (CSD) and water PET plastic bottles by an average 13%, reduced the weight of the 1.25L and 1.5L CSD range by 15% and reduced the weight of the 2L CSD pack by 13.9%. In addition, a further 17 energy efficiency and emission reduction projects were completed. In addition, CCA is investing in energy efficient cold drink equipment to differentiate CCA from competitors.

2. Strengthened supply chain collaboration through formalised supplier innovation program: CCA introduced the Supplier of the Year program in 2009 to encourage our top 65 suppliers to identify opportunities to: increase revenue, reduce costs, improve customer service and support our sustainability strategy. To qualify for the program annually, a joint business plan must be produced, inclusive of three key areas: an operating plan, innovation plan and business partner plan.

3. Coke System commitment to carbon reduction targets: The global Coke system goal is to "grow our business but not our systemwide carbon emissions in our manufacturing operations through 2015 compared with our 2004 baseline." To contribute to the Systems' delivery of this goal, CCA has set internal targets to improve plant energy efficiency and to improve the energy performance of CCA's base 2-door cooler, of which there are around 60,000 in customer premises across Australia.

4. Coke System commitment to "take action to reduce emissions of GHG in cold drink equipment" by phasing out the use of HFCs in all new cold drink equipment by 2015.

## **iii) The costs associated with these actions**

### Short term strategy changes

The short-term strategies have involved most significantly, an investment of time across the organisation, with work carried out in multiple business units by multiple functional experts. Beyond time, there have been minimal hard costs associated with the investigations. The most significant hard cost has been seen in fees paid to carbon consultants who have worked with our internal functional experts.

### Long term strategy changes

Long term strategy responses have incurred some significant capital costs. For example, Group-wide Coca-Cola Amatil is investing \$450 million in "blowfill" bottle self manufacture - our largest capital investment in a decade.

Other impact minimisation mechanisms include: efficiency projects within our facilities with the largest listed in 3.3b and totalling in excess of \$1M; collaboration with suppliers to improve their energy efficiency; collaboration with suppliers to improve the energy efficiency of any equipment supplied to us for use in our facilities or for gifting to customers (the capital costs associated with the on-going replacement of old energy inefficient equipment with new, energy efficient equipment for our cooler fleet alone is estimated at around \$5.5M); collaboration with competitors, broader industry and customers to improve recycling rates for precious resources such as PET, glass and aluminium (in 2011 CCA invested over \$1M into these efforts); and collaboration with industry to develop markets for recycled resources (e.g. through the purchase of rPET).

Please describe your risks that are driven by change in physical climate parameters

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	Change in temperature extremes	Assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables and water (both spring and municipal), would likely be affected by a change in temperature extremes.	Reduction/disruption in production capacity	Unknown	Direct	About as likely as not	Medium-high
2	Change in mean (average) temperature	Assured supply of key agricultural and natural resource inputs such as sugar and water (both spring and municipal), would likely be affected by a change in mean (average) temperature. With the CCA beverage business being key to earnings, a change in mean temperature (lower) could be a risk to volumes as we know consumers drink less when it's cold and wet than when it's warm and dry.	Other: Potential reduction/disruption in production capacity and reduced demand for products	Unknown	Direct	About as likely as not	Medium-high
3	Change in mean (average) precipitation	Assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables, and water (both spring and municipal),	Other: Potential reduction/disruption in production capacity and reduced demand for products	Unknown	Direct	About as likely as not	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
4	Change in precipitation pattern	<p>would likely be affected by a change in mean (average) precipitation. With the CCA beverage business being key to earnings, a change in mean precipitation (more rain) could be a risk to volumes as we know consumers drink less when it's cold and wet than when it's warm and dry.</p> <p>Assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables, and water (both spring and municipal), would likely be affected by a change in precipitation patterns.</p>	Reduction/disruption in production capacity	Unknown	Direct	About as likely as not	Medium-high
5	Change in precipitation extremes and droughts	Assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables, and water (both spring and municipal), would likely be affected by a change in precipitation extremes and droughts.	Other: Increased operational costs and potential reduction/disruption in production capacity	Unknown	Direct	About as likely as not	Medium-high
6	Sea level rise	Assured supply of key agricultural inputs such as sugar,	Reduction/disruption in production capacity	Unknown	Direct	About as likely as not	Medium-high

ID	Risk driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
7	Tropical cyclones (hurricanes and typhoons)	fruit, vegetables, would likely be affected if sea levels rise. Assured supply of key agricultural and natural resource inputs such as sugar (which is grown in tropical climates such as Far North Queensland), fruit and vegetables would likely be affected by tropical cyclones through devastation of crops and potentially contamination of water sources. An increase in natural disaster rates will also impact CCA though increased insurance premiums.	Other: Increased operational costs and potential reduction/disruption in production capacity	Unknown	Direct	About as likely as not	Low-medium
8	Induced changes in natural resources	Assured supply of key natural resource inputs such as water (both spring and municipal), would likely be affected by changes in natural resource availability due to climate change.	Other: Increased operational costs and potential reduction/disruption in production capacity	Unknown	Direct	About as likely as not	Medium-high

**5.1d**

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; and (iii) the costs associated with these actions**

**i) The potential financial implications**

Any change to the physical environment carries financial risk to CCA in terms of the cost for assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables and water (both spring and municipal). While some financial risk, such as that associated with natural disasters, is acute - in that we may experience a price hike for affected raw materials immediately following an event before prices return to more stable levels - any prolonged or trend change in physical environment

would bring a more significant financial implication in terms of inflated cost to CCA. A change in temperature or rainfall - or extreme and prolonged weather events - have the potential to impact either demand for our products (reducing revenue) or to affect production of agricultural inputs and natural resources on which we are reliant (increased cost of goods). Dependent on the timescale of any change, the financial impact would likely be an incremental one.

Beyond increasing costs for raw materials due to reduced supply as a result of changed growing/replenishment rates, there are also other financial impacts to be considered such as increases in insurance premiums (or the inability to insure in certain circumstances of geographic regions) resulting from more extreme weather conditions.

## **ii) The methods being used to manage this risk**

### Long term strategy changes

1. Capital investment to deliver operational efficiencies and enhanced customer servicing capability: The major project under Project Zero - a \$450 million Group investment in "blowfill" bottle self manufacture - means CCA is able to produce some of the world's lightest PET beverage bottles and has reduced the carbon footprint of every bottle by more than 20%. Significant capital is also invested annually in the CCA fleet of cold drink equipment, with a driver for replacements being energy efficiency which reduces power costs for CCA customers and reduces the CO<sub>2</sub>-e associated with the sale of CCA products.

2. Strengthened supply chain collaboration through formalised supplier innovation program: CCA introduced the Supplier of the Year program in 2009 to encourage our top 65 suppliers to identify opportunities to: increase revenue, reduce costs, improve customer service and support our sustainability strategy. To qualify for the program annually, a joint business plan must be produced, inclusive of three key areas: an operating plan, innovation plan and business partner plan. In 2011 Skope, a supplier of cold drink equipment to CCA, was recognised as CCA's overall Supplier of the Year for their work in significantly improving the energy efficiency of our coolers, saving CCA customers money and reducing the greenhouse gas emissions associated with the sale of CCA products. Likewise, Amcor was awarded supplier of the year for the Packaging and Ingredients category for their work in supporting the implementation of "blowfill" bottle self manufacture technology with their film lightweight solution. Using less raw materials is the key driver to reducing the carbon emissions of each beverage bottle produced using "blowfill".

3. Coke System commitment to carbon reduction targets: The global Coke system goal is to "grow our business but not our systemwide carbon emissions in our manufacturing operations through 2015 compared with our 2004 baseline." To contribute to the Systems' delivery of this goal, CCA has set targets to improve plant energy efficiency and to improve the energy performance of CCA's base 2-door cooler, of which there are around 60,000 in customer premises across Australia. These two actions are helping significantly reduce the emissions associated with CCA products and in this way, is helping to reduce our impact on the physical environment.

4. Coke System commitment to "take action to reduce emissions of GHG in cold drink equipment" by phasing out the use of HFCs in all new cold drink equipment by 2015.

### Other strategies

1. Consideration of climate change-related risks associated with geographic regions considered for greenfield developments: this is mitigating the risk associated with insurance - both inability to insure, and increased premiums for higher-risk regions.

2. Partnership projects designed to reduce the environmental impact of key agricultural inputs to our products: For example, Project Catalyst is a pioneering partnership between Reef Catchments, Coca-Cola Foundation, WWF and Mackay/ Whitsunday, Burdekin, Ingham and Tully sugarcane farmers representing 4.6% of total Australian sugarcane planting. It focuses on applying innovation and best practice farming technology to improve resource condition and farm production efficiency alongside strong community partnerships.

Project Catalyst's results to date have exceeded expectations by improving soil, nutrient, pesticide, irrigation and storm water management. It has improved runoff and drainage water quality of 85,750ML over 18,100 ha and reduced carbon emissions through fewer tillage operations and employing split fertiliser applications releasing less nitrous oxide into the atmosphere. Precision application of fertilisers and chemicals has in some cases reduced nutrient losses by 60%, herbicide losses by 95% and satellite controlled machinery has also reduced the volume of run-off from heavy clay soils by 20%.

3. Water management through: water efficiency projects in bottling plants; recycling of bottling facility waste water (through treatment to a level that supports aquatic life); replenish projects that focus on giving back to nature the amount of water that we use in our beverages and their production (see Project Catalyst in point 2) and management of all groundwater resources through hydrogeological assessment prior to any withdrawal commencing and continuous monitoring of the source during withdrawal.

## **iii) The costs associated**

Long term strategy costs are included in response 5.1b above. Other strategies also have some cost implications - particularly in terms of the agricultural programs (e.g. The Coke system has invested over \$2million to date in Project Catalyst, at around \$500,000 annually), water efficiency projects (where paybacks are often many years and are detailed in our CDP water submission) and source management approaches (where on-going monitoring and hydrogeological reports by qualified scientists are the major costs and CCA has invested in the vicinity of \$8M).

**5.1e**

**Please describe your risks that are driven by changes in other climate-related developments**

ID	Risk driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Changing consumer behaviour	With the imminent introduction of a carbon price by the Australian Government, there has been significant public debate on carbon. This has increased some consumer interest in the carbon footprints of the products they purchase, increasing the risk of reduced consumer demand off the back of perceived lack of action on energy efficiency and reduced carbon emissions.	Reduced demand for goods/services	Current	Direct	Likely	Medium

**5.1f**

**Please describe (i) the potential financial implications of the risk before taking action; (ii) the methods you are using to manage this risk; (iii) the costs associated with these actions**

**i) The potential financial implications**

Currently our research, while indicating heightened awareness and purchase intent for low carbon intensive products, is not translating to significant shifts in actual consumer purchasing behaviour amongst Australian consumers. One area where there has been greater interest than others, is in the bottled water space where anti-industry campaigners are increasingly citing environmental footprint as a reason for Australians to boycott bottled water brands. Off the back of this, there have been a handful of well-publicised site/geographically specific "bannings" of bottled water (e.g. Canberra University). These bans ignore key insights that consumers choose bottled water for convenience, and as a healthier option when compared with other packaged beverages available to them on supermarket shelves, in takeaway restaurants and at corner stores across the country.

**ii) The methods being used to manage this risk**

Long term strategies

1. Capital investment to deliver operational efficiencies and enhanced customer servicing capability: The major project under Project Zero - a \$450 million Group investment in "blowfill" bottle self manufacture - means CCA is able to produce some of the world's lightest PET beverage bottles and has reduced the carbon footprint of every bottle by more than 20%. Significant capital is also invested annually in the CCA fleet of cold drink equipment, with the driver for replacements being energy

efficiency which reduces power costs for CCA customers and reduces the carbon associated with the sale of CCA products.

Investment in "blowfill" technology is enabling CCA to light weight PET bottles and for some higher risk products, our marketing teams have taken the decision to communicate with consumers on light-weighted packaging - most notably through our Mount Franklin Easy-Crush Bottle campaign which includes on-pack messaging "35% less plastic" and an above and below the line media campaign.

2. Coke System commitment to carbon reduction targets: The global Coke system goal is to "grow our business but not our systemwide carbon emissions in our manufacturing operations through 2015 compared with our 2004 baseline." To contribute to the Systems' delivery of this goal, CCA has set targets to improve plant energy efficiency and to improve the energy performance of CCA's base 2-door cooler, of which there are around 60,000 in customer premises across Australia. These two actions are helping significantly reduce the emissions associated with CCA products and in this way, is helping to reduce our impact on the physical environment.

3. Coke System commitment to "take action to reduce emissions of GHG in cold drink equipment" by phasing out the use of HFCs in all new cold drink equipment by 2015.

#### Other strategies

1. Partnership projects designed to reduce the environmental impact of key agricultural inputs to our products: For example, Project Catalyst is a pioneering partnership between Reef Catchments, Coca-Cola Foundation, WWF and Mackay/ Whitsunday, Burdekin, Ingham and Tully sugarcane farmers representing 4.6% of total Australian sugarcane planting. It focuses on applying innovation and best practice farming technology to improve resource condition and farm production efficiency alongside strong community partnerships.

Project Catalyst's results to date have exceeded expectations by improving soil, nutrient, pesticide, irrigation and storm water management. It has improved runoff and drainage water quality of 85,750ML over 18,100 ha and reduced carbon emissions through fewer tillage operations and employing split fertiliser applications releasing less nitrous oxide into the atmosphere. Precision application of fertilisers and chemicals has in some cases reduced nutrient losses by 60%, herbicide losses by 95% and satellite controlled machinery has also reduced the volume of run-off from heavy clay soils by 20%.

2. Water management through: water efficiency projects in bottling plants; recycling of bottling facility waste water (through treatment to a level that supports aquatic life); replenish projects that focus on giving back to nature the amount of water that we use in our beverages and their product (see Project Catalyst in point 2) and management of all groundwater resources through hydrogeological assessment prior to any withdrawal commencing and continuous monitoring of the source during withdrawal.

3. Communication of efforts through a range of mediums: This includes company materials such as the Coca-Cola Amatil Group Sustainability Report; CCA Group website; relevant speaking opportunities; and other PR avenues.

#### **iii) The costs associated**

Long term strategy responses have incurred some significant capital costs. For example, Group-wide Coca-Cola Amatil is investing \$450 million in "blowfill" bottle self manufacture - our largest capital investment in a decade.

Other impact minimisation mechanisms include: efficiency projects within our facilities with the largest listed in 3.3b and totalling in excess of \$1M, collaboration with suppliers to improve their energy efficiency; collaboration with suppliers to improve the energy efficiency of any equipment supplied to us for use in our facilities or for gifting to customers (the capital costs associated with the on-going replacement of old energy inefficient equipment with new, energy efficient equipment for our cooler fleet alone is estimated at around \$5.5M); collaboration with competitors, broader industry and customers to improve recycling rates for precious resources such as PET, glass and aluminium (in 2011 CCA invested over \$1M into these efforts); and collaboration with industry to develop markets for recycled resources (e.g. through the purchase of rPET).

Other strategies also have some cost implications - particularly in terms of the agricultural programs (e.g. The Coke system has invested over \$2M to date in Project Catalyst, at around \$500,000 annually), water efficiency projects (where paybacks are often many years and are detailed in our CDP water submission) and source management approaches (where on-going monitoring and hydrogeological reports by qualified scientists are the major costs and CCA has invested in the vicinity of \$8M).

Communication costs are not additional costs as they have involved a reprioritisation of messaging in accordance with changes in consumer wants and needs, rather than additional cost incurred to communicate above and beyond the levels CCA maintains.

**Have you identified any climate change opportunities (current or future) that have the potential to generate a substantive change in your business operations, revenue or expenditure? Tick all that apply**

- Opportunities driven by changes in regulation
- Opportunities driven by changes in physical climate parameters
- Opportunities driven by changes in other climate-related developments

**6.1a**

**Please describe your opportunities that are driven by changes in regulation**

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/Indirect	Likelihood	Magnitude of impact
1	Carbon taxes	The Australian Government's carbon price mechanism is effective from 1 July 2012 and to support the move to a low carbon economy, the Australian government at both Federal and State levels has a number of co-investment and rebate programs available to drive business investment in energy efficient and low emission products and processes.	Reduced capital costs	Current	Direct	More likely than not	Low

**6.1b**

**Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions**

**i) Potential financial implications**

The Government's Clean Technology Food and Foundries Investment Program makes available \$150M to Australian manufacturers in the food and foundries industries. The funding ratios stand at 2:1 (applicant to grant) for CCA projects between \$25,00 and \$10M, and at 3:1 (unless otherwise recommended by Cabinet) for CCA projects over \$10M. If successful, CCA grant applications could effectively reduce the cost of capital by between 25 - 33%.

There are also a number of state government energy efficiency programs which enable credits for energy efficient equipment to be generated and then on-sold to reduce capital.

**ii) Methods to manage this opportunity**

CCA has and continues to invest resources into investigating opportunities to reduce CCA capital costs for anticipated spend or to bring forward capital investment to take advantage of one-off Government assistance available as Australia transitions to a low carbon economy: examples include tapping into the Clean Technology Food and Foundries Investment Program.

These investigations include analysing identified energy efficiency projects or equipment replacements for their payback period adjusted for any potential government grant or co-investment.

**iii) Costs associated with these actions**

To date, these activities have involved most significantly, an investment of time across the organisation, with work carried out in multiple business units by multiple functional experts. Beyond this, there have

been minimal hard costs. Where adjusted payback periods make it attractive for CCA to invest, there will be capital cost incurred.

**6.1c**

**Please describe the opportunities that are driven by changes in physical climate parameters**

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Change in mean (average) temperature	With the CCA beverage business being key to earnings, any increase in temperature may present an opportunity as we know consumers drink more when it's warm and dry. This opportunity could only be realised with assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables and water to which any increase in temperature carries risk as outlined in 5.1c.	Increased demand for existing products/services	Unknown	Direct	About as likely as not	Low
2	Change in precipitation extremes and droughts	With the CCA beverage business being key to earnings, any hot extremes in temperature or drought may present an opportunity as we know consumers drink more when it's warm and dry. This opportunity could only be realised with	Increased demand for existing products/services	Unknown	Direct	About as likely as not	Low

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		assured supply of key agricultural and natural resource inputs such as sugar, fruit, vegetables and water to which any increase in temperature carries risk as outlined in 5.1c.					

**6.1d**

**Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions**

**i) Potential financial implications**

Any potential upside to increased sales as a result of increasing temperatures or weather extremes are likely to be offset by increases in cost associated with managing assured supply of key agricultural inputs and natural resources such as sugar, fruit, vegetables and water as detailed in 5.1d.

**ii) Methods to manage this opportunity**

The Coke system currently capitalises on driving sales during the warmer summer months with iconic Summer marketing campaigns. In 2011, it was the Share a Coke campaign where consumers could purchase a can or bottle of Coke with their own name, a family member's name or a friend's name on it.

**iii) Costs associated with these actions**

The summer campaign is a multi-million dollar marketing spend annually.

**6.1e**

**Please describe the opportunities that are driven by changes in other climate-related developments**

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
1	Changing consumer behaviour	For CCA, our customers are our direct consumers. They are largely retailers or other intermediaries that on-sell to consumers. With the imminent introduction of a carbon price by the Australian Government, there is significant customer interest in what this might mean for them in terms of the cost to procure products, and to operate their businesses.	Increased demand for existing products/services	Current	Direct	Likely	Medium-high

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
2	Changing consumer behaviour	<p>This presents an opportunity for CCA to manage our cost base better than our competitors so we can continue to offer quality products at value for money prices. It also presents the chance to offer our customers opportunities to reduce their cost inputs through energy efficient equipment, whilst driving their revenues through a portfolio and products that meet the needs and wants of consumers, including products that appeal to the environmentally or socially-conscious consumer.</p> <p>With the imminent introduction of a carbon price by the Australian Government, there has been significant public debate on carbon. This has increased some consumer (end-purchaser of CCA products) interest in the carbon footprints of the products they purchase, and increasing consumer intention to purchase products or brands that are perceived to be active in terms of driving energy efficiency and</p>	Increased demand for existing products/services	Current	Direct	Likely	Low-medium

ID	Opportunity driver	Description	Potential impact	Timeframe	Direct/ Indirect	Likelihood	Magnitude of impact
		carbon emission reductions.					

**6.1f**

**Please describe (i) the potential financial implications of the opportunity; (ii) the methods you are using to manage this opportunity; (iii) the costs associated with these actions**

**i) Potential financial implications**

CCA continues to look to accelerate capital expenditure as a percentage of revenue to achieve organic growth and this approach to capital investment and value chain collaborations mean we are maximising opportunities presented to our business by the new low carbon economy, to drive shareholder returns. We are doing so by maintaining a competitive cost base and driving revenue growth through leveraging customer and consumer advantages as a result of our efforts.

For CCA customers - current and prospective - we are and will continue to be able to offer quality products and service at value for money prices while offering energy-efficient equipment which keeps their cost base down, and a product portfolio that drives sales amongst their environmentally and socially-conscious consumers. This is a revenue driver for CCA.

**ii) Methods to manage this opportunity**

In 2011, the most substantial business decisions were taken at a business unit level within the framework set by our risk management process, and short and long-term strategic plans as detailed in 2.2a.

Specific example include: decisions on light weighting projects by the supply chain team enabled by the strategic decision to invest in "blowfill" bottle self manufacture technology; decisions by the equipment services team to collaborate/invest in even more energy efficient equipment to make CCA equipment the most attractive in market to customers; decisions by our marketing team to communicate with consumers on light weighted packaging - most notably through our Mount Franklin Easy-Crush Bottle campaign; and decisions by our sales team to drive account growth - both with existing and new customers - through communication of CCA's sustainability approach and the products, processes and equipment that we can offer to drive a sustainable - economic, environmental and social - outcome for customers.

More broadly, we have focused our communication of efforts through a range of mediums: this includes company materials such as the Coca-Cola Amatil Group Sustainability Report; CCA Group website; relevant speaking opportunities; and other PR avenues, as well as customer-centric materials.

**iii) Costs associated with these actions**

Long term strategy changes

Long term strategy responses have incurred some significant capital costs. For example, Group-wide Coca-Cola Amatil is investing \$450 million in "blowfill" bottle self manufacture - our largest capital investment in a decade.

Other opportunity maximisation methods include: efficiency projects within our facilities with the largest listed in 3.3b and totalling in excess of \$1M; collaboration with suppliers to improve their energy efficiency; collaboration with suppliers to improve the energy efficiency of any equipment supplied to us for use in our facilities or for gifting to customers (the capital costs associated with the on-going replacement of old energy inefficient equipment with new, energy efficient equipment for our cooler fleet alone is estimated at around \$5.5M); collaboration with competitors, broader industry and customers to improve recycling rates for precious resources such as PET, glass and aluminium (in 2011 CCA invested over \$1M into these efforts); and collaboration with industry to develop markets for recycled resources (e.g. through the purchase of rPET).

Other strategies also have some cost implications - particularly in terms of the agricultural programs (e.g. The Coke system has invested over \$2M to date in Project Catalyst, at around \$500,000 annually), water efficiency projects (where paybacks are often many years and are detailed in our CDP water submission) and source management approaches (where on-going monitoring and hydrogeological reports by qualified scientists are the major costs and CCA has invested in the vicinity of \$8M).

Communication costs are not additional costs as they have involved a reprioritisation of messaging in accordance with changes in consumer wants and needs, rather than additional cost incurred to communicate above and beyond the levels CCA has always maintained.

**Module: GHG Emissions Accounting, Energy and Fuel Use, and Trading [Investor]**

**Page: 7. Emissions Methodology**

**7.1**

Please provide your base year and base year emissions (Scopes 1 and 2)

Base year	Scope 1 Base year emissions (metric tonnes CO2e)	Scope 2 Base year emissions (metric tonnes CO2e)
Wed 01 Jul 2009 - Wed 30 Jun 2010	54639	130757

**7.2**

Please give the name of the standard, protocol or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions

Please select the published methodologies that you use
Australia - National Greenhouse and Energy Reporting Act

**7.2a**

If you have selected "Other", please provide details below

**7.3**

Please give the source for the global warming potentials you have used

Gas	Reference
CO2	Other: NGA factors Australia July 2011
CH4	Other: NGA factors Australia July 2011
N2O	Other: NGA factors Australia July 2011
HFCs	Other: NGA factors Australia July 2011

**7.4**

Please give the emissions factors you have applied and their origin; alternatively, please attach an Excel spreadsheet with this data

Fuel/Material/Energy	Emission Factor	Unit	Reference
Natural gas	0.05	metric tonnes CO2e per GJ	NGA factors July 2010
Propane	0.06	metric tonnes CO2e per GJ	NGA factors Australia July 2010
Motor gasoline	34.20	kg CO2e per litre	NGA factors Australia July 2010
Diesel/Gas oil	0.07	metric tonnes CO2e per GJ	NGA factors Australia July 2010

**Further Information**

7.1 - Scope 1 emissions include 54568 (actual) and 71 (estimations based on small site estimates) as reported in CCA FY09/10 NGERs. Scope 2 emissions include 130587 (actual) and 170 estimations based on small site estimates) as reported in CCA FY09/10 NGERs.

**Page: 8. Emissions Data - (1 Jul 2010 - 30 Jun 2011)**

**8.1**

Please select the boundary you are using for your Scope 1 and 2 greenhouse gas inventory

Operational control

**8.2a**

Please provide your gross global Scope 1 emissions figure in metric tonnes CO2e

52463

8.3a

Please provide your gross global Scope 2 emissions figure in metric tonnes CO2e

122591

8.4

Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions which are not included in your disclosure?

No

8.5

Please estimate the level of uncertainty of the total gross global Scope 1 and Scope 2 figures that you have supplied and specify the sources of uncertainty in your data gathering, handling, and calculations

Scope 1 emissions: Uncertainty range	Scope 1 emissions: Main sources of uncertainty	Scope 1 emissions: Please expand on the uncertainty in your data	Scope 2 emissions: Uncertainty range	Scope 2 emissions: Main sources of uncertainty	Scope 2 emissions: Please expand on the uncertainty in your data
Less than or equal to 2%	Assumptions	As part of CCA's NGERs obligations the Australian Government's Department of Climate Change and Energy Efficiency provides all reporters with an uncertainty calculator based upon the method of reporting used. CCA utilises Method 1 (national average emission factors determined by the Department) to estimate its emissions under the scheme.	Less than or equal to 2%	Assumptions	To estimate emissions under Scope 2 CCA also uses Method 1 for electricity emissions estimation.

8.6

Please indicate the verification/assurance status that applies to your Scope 1 emissions

Not verified or assured

8.7

Please indicate the verification/assurance status that applies to your Scope 2 emissions

Not verified or assured

8.8

Are carbon dioxide emissions from the combustion of biologically sequestered carbon (i.e. carbon dioxide emissions from burning biomass/biofuels) relevant to your company?

Yes

8.8a

Please provide the emissions in metric tonnes CO2e

0

**Further Information**

8.3a - Scope 2 emissions include 122469 (actual) and 123 (estimations based on small site estimates) as reported in CCA FY10/11 NGERS.

8.8a - Biofuel use in the reporting year was 252L producing 0.03T of CO2e emissions

CCA's methodology for meeting our NGERS reporting obligations – from which all data has been transposed – was verified by Blake Dawson.

**Page: 9. Scope 1 Emissions Breakdown - (1 Jul 2010 - 30 Jun 2011)**

**9.1**

**Do you have Scope 1 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?**

No

**9.2**

**Please indicate which other Scope 1 emissions breakdowns you are able to provide (tick all that apply)**

- By business division
- By facility
- By GHG type
- By activity

**9.2a**

**Please break down your total gross global Scope 1 emissions by business division**

Business Division	Scope 1 metric tonnes CO2e
Grinders Coffee House	668
NSW	3186
NT	37
QLD	4489
SA	1543
Sales Admin fleet	16036
TAS	28
VIC	1903
WA	1884
Bayswater	1737
Crusta Fruit Juices	76
Neverfail	190
Quenchy Crusta Sales	0
Quirks	3
SPC Ardmona	20683

**9.2b**

**Please break down your total gross global Scope 1 emissions by facility**

Facility	Scope 1 metric tonnes CO2e
----------	----------------------------

**9.2c**

**Please break down your total gross global Scope 1 emissions by GHG type**

GHG type	Scope 1 metric tonnes CO2e
CO2	52290
CH4	81
N2O	92

**9.2d**

**Please break down your total gross global Scope 1 emissions by activity**

Activity	Scope 1 metric tonnes CO2e
Diesel Oil (non-transport)	98
Liquefied petroleum gas (non-transport)	3647
Natural gas distributed in a pipeline (non-transport)	32647
Diesel oil (transport)	1969
Ethanol for use as a fuel in an internal combustion engine (transport)	2
Gasoline (other than for use as fuel in an aircraft (transport)	14057
Liquified petroleum gas (transport)	38
Methane released from wastewater handling (industrial)	6

**Further Information**

Please note that while we have the ability to report by facility, from a resourcing perspective we have chosen not to transpose the data from our NGERs reporting across for each of our 145 facilities under the 15 Group Members (business divisions).

**Page: 10. Scope 2 Emissions Breakdown - (1 Jul 2010 - 30 Jun 2011)**

**10.1 Do you have Scope 2 emissions sources in more than one country or region (if covered by emissions regulation at a regional level)?**

No

**10.2 Please indicate which other Scope 2 emissions breakdowns you are able to provide (tick all that apply)**

- By business division
- By activity

**10.2a Please break down your total gross global Scope 2 emissions by business division**

Business division	Scope 2 metric tonnes CO2e
Grinders Coffee House	558
NSW	30096
NT	337
QLD	18587
SA	5824
Sales and Admin fleet	0
TAS	79
VIC	16725
WA	7502
Bayswater	2886
Crusta Fruit Juices	1012
Neverfail	1379
Quenchy Crusta Sales	249
Quirks Australia	492
SPC Ardmona	36743

**10.2c Please break down your total gross global Scope 2 emissions by activity**

Activity	Scope 2 metric tonnes CO2e
Electricity	122469
Electricity (not from grid)	0

**Further Information**

Please note that while we have the ability to report by facility, from a resourcing perspective we have chosen not to transpose the data from our NGERs reporting across for each of our 145 facilities under the 15 Group Members (business divisions).

**Page: 11. Emissions Scope 2 Contractual**

11.1

**Do you consider that the grid average factors used to report Scope 2 emissions in Question 8.3 reflect the contractual arrangements you have with electricity suppliers?**

Yes

11.2

**Has your organization retired any certificates, e.g. Renewable Energy Certificates, associated with zero or low carbon electricity within the reporting year or has this been done on your behalf?**

No

**Further Information**

11.1 As outlined in question 8.3, CCA utilises the Method 1 nationally derived emission factors for reporting under NGERs, as do a majority of all reporting companies. These emission factors are considered to be representative of those under the contractual arrangements CCA has with its electricity suppliers.

**Page: 12. Energy**

12.1

**What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

12.2

**Please state how much fuel, electricity, heat, steam, and cooling in MWh your organization has consumed during the reporting year**

Energy type	MWh
Fuel	261569
Electricity	122335
Heat	0
Steam	0
Cooling	0

12.3

**Please complete the table by breaking down the total "Fuel" figure entered above by fuel type**

Fuels	MWh
Natural gas	176672
Liquefied petroleum gas (LPG)	17082
Motor gasoline	58347
Diesel/Gas oil	8230
Other: Ethanol	1236
Biodiesels	2

**Further Information**

12.2 - please note an additional 137mWh of electricity (not from the grid) was utilised, and was generated through solar and thermal sources with no resultant carbon emissions.

**Page: 13. Emissions Performance**

**13.1**

**How do your absolute emissions (Scope 1 and 2 combined) for the reporting year compare to the previous year?**

Decreased

**13.1a**

**Please complete the table**

Reason	Emissions value (percentage)	Direction of change	Comment
Change in output	20.4	Decrease	The SPC Ardmona division's emissions make up a significant portion of CCA's total emissions and showed a significant decrease from the previous reporting year primarily due to reduced output as a result of challenging economic conditions. A portion of the decrease was, however, due to energy efficiency activities such as the steam condensate recovery system installation at the Shepparton facility (outlined in question 3.3b).
Change in physical operating conditions	3.7	Increase	As a result of the CCA beverage division's commissioning of 3 additional "blowfill" bottle self manufacture lines for PET packaging, a small increase in the overall emissions and energy consumption was observed in the reporting period. "Blowfill" technology is improving energy and water efficiency, reducing the raw materials used to produce bottles and has eliminated transportation of empty beverage bottles to deliver a 22% average reduction in CO2-e per beverage container. However, while "blowfill" is enabling CCA to reduce our scope 3 emissions significantly, the vertical integration of bottle manufacture into CCA operations has increased our scope 2 emissions as we now have operational control over a much larger part of the value chain. The decision to manufacture our own bottles was expected to increase overall energy use and emissions however this increase has been minimised through other energy efficiency projects in our facilities. Examples of some of our most significant initiatives implemented can be found in question 3.3b.
Change in methodology	14.0	Increase	A change in the treatment of ethanol fuel consumption in transport gasoline by the Australian government for the FY10/11 NGERs reporting year has resulted in the majority of the increase seen in emissions from the sales and distribution fleet. An increase in sales activity was also seen in the FY10/11 reporting period, accounting for the remainder of the increase in emissions.

**13.2**

**Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per unit currency total revenue**

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.000049	metric tonnes CO2e	unit total revenue	12.5	Decrease	An increase in revenue and decrease in total emissions in the FY10/11 reporting period has resulted in a decrease in CO2e / unit revenue for the current reporting period.

**13.3**

Please describe your gross combined Scope 1 and 2 emissions for the reporting year in metric tonnes CO2e per full time equivalent (FTE) employee

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
39.56	metric tonnes CO2e	FTE Employee	23	Increase	In 2011, CCA agreed to sell its 50% share of the Pacific Beverages joint venture to SABMiller. CCA also completed right-sizing of the SPC Ardmona business. Both events had an impact on reported FTE employee numbers.

**13.4**

Please provide an additional intensity (normalized) metric that is appropriate to your business operations

Intensity figure	Metric numerator	Metric denominator	% change from previous year	Direction of change from previous year	Reason for Change
0.000098	metric tonnes CO2e	liter of product	2.97	Decrease	The large decrease in emissions from the SPC Ardmona business has more than offset the influence of the drop in production volume from the same business unit producing an overall decrease in the emissions intensity of CCA.

**Page: 14. Emissions Trading**

**14.1**

Do you participate in any emission trading schemes?

No, and we do not currently anticipate doing so in the next two years

**14.2**

Has your company originated any project-based carbon credits or purchased any within the reporting period?

No

**Page: 2012-Investor-Scope 3 Emissions**

**15.1**

Please provide data on sources of Scope 3 emissions that are relevant to your organization

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Capital goods			Cold drink equipment - inclusive of fountain dispensers, vending machines and coolers - are purchased by CCA and gifted to customers as part of the CCA product. This equipment is important to customers as it enables them to serve consumers cold, refreshing beverages and can maintain our food products at necessary temperatures for quality and safety. The CO2-e quoted is an estimate only and includes both energy use and refrigerant leakage.

Sources of Scope 3 emissions	metric tonnes CO2e	Methodology	If you cannot provide a figure for emissions, please describe them
Business travel			From time to time, our people are expected to travel to offices and customers in other parts of the country or, on occasions, overseas.
Upstream transportation & distribution			External distribution and logistics related emissions arise from raw material delivery to CCA's beverage manufacturing plants (via sea, road and sometimes air and rail).
Downstream transportation and distribution			Emissions also arise from the delivery of the finished products converted from raw materials to customers via road (sometimes rail).
Purchased goods & services			Packaging related emissions would include emissions from the production of primary packaging (PET, aluminium can, glass bottles, plastic closures) and secondary packaging (cardboard, shrink).
Purchased goods & services			Raw material agricultural inputs that CCA utilise include sugar and citrus, which have associated scope 3 emissions. Waste water may also contribute to scope 3 emissions via the anaerobic conversion of sugar to CH4. This is dependent on the technology utilised by the treatment plant (usually publically owned) to treat community and industrial waste and whether the CH4 is re-used by the treatment plant (co-generation of electricity and heat for example).
End-of-life treatment of sold products			Emissions related to third party disposal of packaging into landfill and recycling streams have emissions associated with each process.

**15.2**

**Please indicate the verification/assurance status that applies to your Scope 3 emissions**

No emissions data provided

**15.3**

**Are you able to compare your Scope 3 emissions for the reporting year with those for the previous year for any sources?**

No, we don't have any emissions data

**Further Information**

Given the cost of accurate data collection for scope 3 emissions, CCA has instead focused on accurate measurement of scope 1 and 2 emissions which we are required to report under Australian law, and taken a largely intuitive approach to our scope 3 emissions (which are another organisation's scope 1 or 2 emissions). A lack of accurate measures does not preclude CCA from engaging employees to either work with stakeholders or within our own decision-making parameters (e.g. business travel) to reduce scope 3 emissions. We continue to act to drive down our scope 3 emissions where a significant risk or opportunity has been identified, or where we intuitively see a community benefit to doing so. Examples here include our work with equipment suppliers to improve the energy efficiency of our cold drink equipment which is gifted to customers.

**Module: Sign Off**

**Page: Sign Off**

**Please enter the name of the individual that has signed off (approved) the response and their job title**

Alec Wagstaff  
 Corporate Affairs Director  
 Coca-Cola Amatil (Aust) Ltd

**CDP**