Energy management programmes and energy efficiency activities

Our long-term commitment on climate – NetZeroby40 – is our boldest sustainability goal and an integral part of our long-term business strategy.

The climate targets are closely linked with our energy goals and complement each other. Our own operations' GHG carbon footprint, Scope 1+2, is 90%+ dependent on our energy goals, roadmap, and strategic improvement initiatives.

As part of our Mission 2025 sustainability commitments, we have two energy targets for our direct operations:

1. 50% of energy used in our plants to be from clean and renewable sources.
2. 100% of the electricity used in our EU and Swiss plants to be from clean and renewable energy sources.

The third energy-related target is related to the downstream part of our value chain: by the end of 2025, 50% of our cold drink equipment placed in customer outlets will be energy-efficient coolers (EEC).

For all of our Business Units (BUs) and manufacturing plants we set annual energy usage targets. Our internal energy efficiency KPI measures the energy use ratio or energy intensity (it is Megajoule of energy used for every litre of beverage produced or MJ/lbp). Every year our goal is to improve it compared with the previous year.

The 2024 energy use ratio target for manufacturing plants was 0.36 MJ/lbp and we reach to 0.37 MJ/lbp which is above our annual target and at the same level compared to previous year. We aim to continuously improve our energy use ratio to reduce total absolute energy consumption and mitigate the energy cost impact in very volatile energy markets.

Energy performance is managed and improved through different programmes by using the principles of reducing, removing, and recovering energy, as well as 'greening' and renewing the energy sources.

We have developed our internal energy-saving programme, #Top20EnergySavers, which provides mandatory energy-saving solutions for all our manufacturing sites. Based on this programme, all our plants have developed their 2025 Energy Savers roadmaps, which is updated and reviewed twice per year.

#Top20EnergySavers focuses on energy efficiency solutions such as the use of high- and low pressure compressors, hot water and steam boilers, chillers and bottle blowers. Our internal target is to have 100% implementation of #Top20EnergySavers by 2025.

By the end of 2024 we reached to 84% of the solution implementations rate, which is +12% progression vs 2023 result (2023 implementation rate was 72%).

We implement new technologies in all of our manufacturing sites and explore, test, and pilot innovations to create solutions for large-scale deployment in the future. We test and explore innovative solutions, including real-time energy monitoring and tracking, Industry 4.0 digital technology, and automation.

For example, we have tested and deployed the 'Digital Twin' solution in partnership with Microsoft for energy and GHG emissions monitoring and developed real-time energy monitoring and tracking in collaboration with Siemens.

Both are innovative and cutting-edge solutions and are critical for optimising and improving energy efficiency.

In two of our manufacturing plants in Austria and Greece, we have developed the concept of #ManufacturingLighthouse. This means we deploy all new digital tools and automation solutions coming from the Industry 4.0 digital technologies. The concept will be applied in other manufacturing plants as part of our long-term plan, which also includes an investment in 51 'Digital Twin' lines by 2027.

In a few of our manufacturing plants we are implementing the Energy Maturity Assessment Tool developed by The Coca-Cola Company. This tool defines plant energy maturity and energy saving/efficiency improvement solutions linked to the plant's energy maturity level. All our Egyptian plants have implemented this tool and developed their three-year roadmaps, including investment plans.

The Net Zero Plant and Carbon Neutral Plant concept was piloted and implemented in four of our manufacturing plants to support our NetZeroby40 goal. Energy targets, including low carbon and renewable fuels objectives, are critical to our operations' Scope 1+2 carbon footprint.

In addition to energy use minimisation and optimisation, we are looking for solutions for transitioning from fossil fuels to renewables and low-carbon alternatives. These are aligned with our decarbonisation journey to reach Net Zero Plant and Carbon Neutral Plant status.

To continue building capabilities in energy management and energy efficiency, we have tailor-made training programmes such as:

- Our annual environment training programme which has a specific module on energy efficiency and renewable energy.

- Supply Chain Leaders training where managers from manufacturing, engineering, distribution, procurement and planning departments are trained in different areas of environmental sustainability, among them energy, GHG emissions, water and waste management.

Energy target setting is part of our annual business planning process, and also part of our daily, weekly, and monthly business performance review. We use specialised software to track the energy usage monthly. We compare the actual status with the annual goal during the monthly performance meetings at plant level, country level and Group level. All deviations from the targets are captured and corrective actions are assigned accordingly. The quarterly performance and investments in energy efficiency are discussed at Executive Leadership Team level as well.

Energy target achievement and energy KPIs improvement are integral parts of our operational excellence and continuous improvement processes. They are incentivised through different rewarding programmes at all levels within the organisation, from production floor employees to the management level.

Energy management is part of our operations governance programme and is regularly subject to internal and/or external auditing and assessments. All our manufacturing plants undergo regular energy assessments and regular energy audits.

By the end of 2024:

- All our 60 manufacturing plants were ISO14001 Environmental Management System certified (100% of the total volume produced).

- 14 of our manufacturing plants (26% of the total volume produced) were certified according to the ISO 50001 Energy Management System standard requirements. The rest of the plants are routinely audited for energy management by external or internal parties, in a cycle of one to five years, depending on the locally defined requirements.

2024 highlights

We invested €26 million in energy efficiency improvement and energy saving initiatives in our manufacturing facilities (manufacturing plants).

- In Nigeria, since 2020 we have installed solar rooftop PVs in our plants. By the end of 2024, all eight manufacturing plants' roofs were covered with solar panels and first battery energy saving unit was under installation. This led to having 12% of electricity from renewable sources there.
- By the end of 2024 we achieved 65% of renewable and clean electricity share out of total energy consumed in plants, this is a set back vs 2023 (respective result was 73%) but we are developing our long-term energy transition plan and have a confidence in improving results in a near term horizon.
- We have maintained 100% of renewable electricity sourcing from the public grid via certificates.
- In Egypt, four of our plants installed roof-top PVs, generating 10% of the total electricity used from renewable sources. In addition, we have started sourcing renewable electricity from the public grid via certificates. All those activities are resulting in 30% of renewable electricity sourcing in Egypt, improving results +20% vs 2023 (respective result was 10%).
- In our Serbian manufacturing plant, we have installed in 2023 a new heat pump, our energy recovery pilot solution. This is a significant energy recovery investment (approximately €0.8 million) and we have plans for deploying similar solutions in two more plants.
- All our new production lines use state-of-the-art technology, combining all key equipment into one mono- or ergo-block, and using ambient beverage filling in manufacturing compared with previously practised chilled filling. This enables significant energy improvement per litre of beverage produced (approximately 20% lower energy use compared with the previous generation of production lines).
- In the newly installed PET production lines in Hungary, Romania, and Italy, we estimate annual energy savings of up to 900 MWh per line compared with the previous generation of production lines.
- We successfully piloted our first plastic-free secondary packaging in the Austrian market, which does not require a shrink oven and can save up to 50% energy during the packaging process.
- We started implementing an automated HVAC-control system in our plant in Austria, which is estimated to deliver about 650 MWh of energy savings annually.