COMPANY: CCE Transport Strategy

PRACTICE

Lower Carbon Emission Distribution and Logistics

PROBLEM

Transport and distribution is currently approximately 7% of CCEs value chain carbon footprint. Whilst this is not the largest part of the footprint it is recognized as one of the most visible and an area which proportionally is likely to increase as CCE grow the business.

DESCRIPTION OF PRACTICE & RESULTS

Goal for 2020

- **Driving fewer kilometers** – by optimizing our logistics network and working with our customers to employ techniques such as backhauling.
- **Reducing the carbon emissions of every kilometer driven** – by improving the efficiency of our own vehicles and those of our distribution partners, using alternative fuels and technologies and driver training.

Improved operational efficiencies

Collaborative expansion of front and backhaul operations – CCE has been working with customers and suppliers for several years; expanding front and backhaul opportunities has reduced empty road mileage, carbon emissions, and associated cost. Customers collect their own stock on return trips and raw materials suppliers utilise their empty return runs from sites to transport goods on CCE's behalf.

Development of rail network opportunities - Using rail to transport product in many of the Countries were CCE operate. In GB CCE moves product by rail from the Midlands into Scotland which in 2011 was reported to save just under 300 tonnes of CO_2e and reduced empty road mileage by 512,000 km.

Optimisation of logistics and production network – The process of network optimization is an importance element in reducing carbon emissions by making CCE's distribution more efficient. One way it is being do is by investing in new production and storage capacity at key sites, enabling to minimize long-distance freight distribution needs. In 2012, for example, production was expanded in France at Clamart and Marseille and CCE is currently building more warehouse capacity at Wakefield in Great Britain and Dongen in the Netherlands which will further reduce transportation needs.

Using eco- driver training and technology - In recent years CCE has provided 'eco-driving' training to drivers in the Netherlands, Great Britain and Belgium. Telematics technology was installed to analysis how

vehicles are being driven so drivers can improve their fuel-saving techniques. Introducing these measures has seen fuel consumption improvements from 5 to 8% on average per driver.

Alternative technologies and fuels - 9% of CCE's distribution mileage across Europe are powered by alternative technologies or fuels. In GB, following successful trials, CCE invested in 14 biofuel 26-tonne local delivery vehicles and worked with suppliers which have purchased 20 dual-fuels, 44-tonne heavy goods vehicles (HGVs), to deliver CCE's products. In Sweden, currently 75% of all owned fleet uses biofuel, the goal is to achieving 90% and in the Netherlands introduced the first 45-tonne, 100% biogas-powered truck in the Coca-Cola system.

During the London Olympics, investment in 14 biogas truck fleet was a key aspect of our sustainable distribution strategy. Prior to the investment CCE conducted a detailed pilot trial in conjunction with, CENEX, UK's Centre of Excellence for low carbon vehicle technologies. The trial compared a biogas vehicle with a standard diesel vehicle, evaluating greenhouse gas emissions, air quality and noise level benefits together with fuel consumption, economics, reliability and operability. The results were very positive, with the biogas vehicles having a carbon footprint less than half that of a typical diesel truck as well as lower air quality emissions and noise levels. In addition, operating the gas vehicle on biomethane reduced the fuel costs by over 12%.

The biomethane used to power the vehicles was locally sourced, landfill derived methane. Using methane in this way allowed the capture of latent energy recovered from the decomposition of household waste, reducing dependency on conventional fossil fuels. Over their lifespan, the 14 biogas trucks are estimated to result in a carbon saving of approximately 1,500 tonnes CO_2e. These trucks now distribute produced as part of the standard fleet, replacing diesel vehicles that were coming to the end of their life.