

# Raise the bar on sustainability and responsibility

## Environmental

### Making steady progress on the path to net zero

Climate change and nature loss are changing how we operate and shaping our plans for the decades to come. We have accelerated efforts to reduce emissions, support a circular economy, and protect the health of local watersheds and nature.

Our Net Zero strategy focuses on achieving net zero across our value chain (Scope 1, 2 and 3) by 2040<sup>1</sup>. We are driving towards net zero Scope 1 and 2 emissions by 2030<sup>2</sup> alongside reducing Scope 3 emissions by 26%. We aim to reduce Scope 3 by decreasing forest, land and agriculture (FLAG) emissions by 30% and energy-based emissions (non-FLAG) by 25%. These goals were validated by the Science Based Targets initiative (SBTi) in 2023. All performance on carbon is now measured against a 2022 baseline.

#### Accelerating a reduction in Scope 1 and 2

We have reduced Scope 1 and 2 emissions by 34% compared to the 2022 baseline (2023: 19%). We cannot use a one size fits all approach, and decarbonisation requires precise planning and tailored solutions. We are developing custom strategies for each location which account for geographical, socio-political, technological and economic variations.

With hundreds of projects to develop, we must invest strategically in the most cost-efficient and impactful initiatives. We have developed a financial model to evaluate projects and prioritise investments, strengthening cost management and helping us define future investments. This enabled us to review our technology portfolio and de-prioritise solutions where cost trends remain too high. Our approach combines in-house expertise with strategic external partnerships. We are collaborating with Siemens, Royal HaskoningDHV, NIRAS, Engie and Arcadis to drive decarbonisation efforts across nearly 181 sites globally.

In 2024, we invested in strategic projects including an electric boiler in Ethiopia, a heat pump in Hungary and renewable thermal solutions in Portugal.

We continue to implement a toolkit to increase the adoption of renewable electricity, including power purchase agreements (PPAs), on-site solutions, energy certificates and other mechanisms. After six years of development, we secured two strategic PPAs in Nigeria and implemented renewable electricity solutions in smaller markets like Suriname, the Democratic Republic of Congo (DRC) and Peru. In 2024, we used 84% renewable electricity across our global operations. Some of our Renewable Electricity projects allow us to identify cost savings and manage volatile energy prices.

While our holistic approach has enabled us to decouple growth from Scope 1 and 2 emissions, the road ahead is not smooth and we anticipate that future carbon reductions will not be linear.

Access to renewable thermal energy remains a significant challenge. Barriers vary across the globe from fragmented energy infrastructure to gaps in regulation and policy. These obstacles limit available solutions, and make some financially unviable.

It is too early to determine the impact of such challenges on our ability to achieve our goals. Despite this, we remain steadfast in our ambitions and will continue to engage with policymakers to advocate for removing barriers to decarbonisation and explore innovative solutions with our partners.

#### Establishing the foundations to scale Scope 3 reductions

We aim to reduce Scope 3 emissions by collaborating with strategic suppliers to facilitate the transition to renewable energy, low-carbon technologies, circular packaging and sustainable agricultural practices. Our updated Scope 3 strategy focuses on our largest emissions sources – agriculture and packaging – alongside enhancing supplier capabilities and fostering partnerships.

Decarbonising Scope 3 is complex, with challenges including inconsistent emission methodologies and data quality. While we are making progress, there is much work still to do.

In 2024, we reduced Scope 3 emissions by 14% with a contribution from both agricultural and energy-based emissions (FLAG 23% and non-FLAG 11%) compared to the 2022 baseline. The integration of our recent acquisitions in South Africa and India have reshaped our raw material portfolio, using more apples for cider in South Africa and more rice in India. This new portfolio has a lower carbon intensity and contributes greatly to reducing our FLAG emissions. In contrast, integrating these businesses increased packaging emissions, affecting our non-FLAG results. Our packaging supplier decarbonisation programme has softened the impact of these integrations.

Through the Supplier Leadership on Climate Transition ('Supplier LOCT') initiative, we have successfully equipped suppliers to set Science-Based Targets. To date, 56 suppliers have established targets, with an additional 18 suppliers joining the program in 2024. We launched the REfresh Alliance with 10 beverage companies to support suppliers in accelerating the adoption of renewable electricity.

For agriculture, the third season of our low-carbon farming programme saw almost 300 projects underway, trialling sustainable practices around cover cropping, no-tillage, organic matter use, and seed and fertiliser application. Recognising the potential of low-carbon fertilisers, we provided strategic guidance to FertigHy for its upcoming plant in France. Project Transitions – our first large-scale regenerative agriculture programme with Malteurop Vivescia – will supply its first barley to the French market in 2025.

Currently involving 200 farmers, the project will measure its impact through key indicators focused on carbon emissions, soil health and resilience, and biodiversity. We are working with our suppliers to comply with SBTi FLAG guidance.

For packaging, we are launching initiatives to support glass and aluminium suppliers with site-specific roadmaps focused on energy efficiency and renewable energy. We are increasing the recycled content in our glass and cans to reduce carbon emissions. In 2024, we conducted six decarbonisation workshops with strategic glass suppliers and mapped over 100 initiatives across Europe, Americas and Africa & Middle East.

We also continue to engage in industry initiatives like the Coalition to advance refrigeration standards and promote energy efficiency. In logistics, we partnered with Einride to deploy our first cross-border electric freight journey powered by renewable electricity. Scaling such partnerships across our global operations remains a challenge.

#### Laying the groundwork for carbon removals

Achieving net zero will require access to high-integrity carbon removals. These solutions take carbon directly out of the atmosphere and store it in a durable way, addressing residual emissions we cannot otherwise eliminate. In 2024, we did not purchase carbon removals but focused on assessing opportunities on our own land, with our agricultural suppliers and third-parties. We will continue to evaluate emerging standards and implement consistent practices across the business, securing carbon removals through a mix of insetting projects and external carbon credits.



Read more about the Net Zero programme and our external partners



Read more about our regenerative agriculture programme Transitions

<sup>1</sup> Net zero is defined by SBTi as reducing a minimum of 90% of emissions across Scope 1, 2 and 3. The residual emissions (maximum of 10%) must be neutralised with permanent carbon removal solutions.

<sup>2</sup> Based on the SBTi definition, we have defined our 2030 goal as a 90% emissions reductions across Scope 1 and 2. A maximum of 10% residual emissions that cannot be eliminated otherwise must be covered with permanent carbon removal and storage solutions.