Governance and Directors' Report

In this section

Chairman's introduction

"Good governance is aligned to a positive corporate culture and we will embed our strong governance processes across API."

Sol Daurella, Chairman

Dear Shareholder

I'm delighted to present to you the corporate governance report for 2021.

This year has been an exciting year. We became Coca-Cola Europacific Partners (CCEP) following the acquisition of Coca-Cola Amatil (CCL) and welcomed the newly created Asia, Pacific and Indonesia (API) business unit to CCEP (the Acquisition).

Good governance is aligned to a positive corporate culture and we will embed our strong governance processes across API.

The COVID-19 pandemic has been a catalyst for bringing environmental, social and governance (ESG) matters to the forefront of business. Our return to growth has been reinforced by sustainability and digital, helped by our people and our communities and underpinned by robust governance.

Board activities

There is a brief summary of the Board's activities during 2021 in table 1 on page 77, with some more detail on specific activities elsewhere in this report. This year, as well as our normal agenda we focused on:

- API integration and growth strategy
- Supporting our colleagues, customers and communities through the ongoing pandemic
- Driving a safe, open and diverse workplace that is fully inclusive for our people, customers and communities
- Transferring our US listing from New York Stock Exchange (NYSE) to Nasdaq Stock Market (Nasdaq)
- Deepening the Board's knowledge of the business and the context in which we operate, particularly API
- An externally facilitated Board evaluation

Our governance framework

The 2018 UK Corporate Governance Code (the UKCGC) applies to accounting periods beginning on or after 1 January 2019. We continued to apply the UKCGC voluntarily on a comply or explain basis during 2021.

We promote good corporate governance throughout CCEP embodied by our governance framework on page 74.

Looking to the future

Our responsibility as the Board is to lead CCEP and oversee its governance. We set the culture, values and standards, always keeping our stakeholders' interests front of mind. Along with its regular schedule of topics, the Board has the following activities planned for 2022:

ESG

How we respond to climate change and the risks that it poses are at the forefront of the minds of all our stakeholders. We will refine our This is Forward sustainability commitments and improve our governance and reporting of climate-related risks and opportunities as we continue our journey to best practice in ESG as set out in our Sustainability governance framework on page 20.

Digital

Our ambition is to become a technology and digitally enabled company. We recognise the importance of fostering a risk appetite culture where people can work effectively in a workplace which prioritises cyber security and we appointed John Bryant as our designated Independent Non-executive Director (INED) to engage in the cyber security strategy process.

Customers

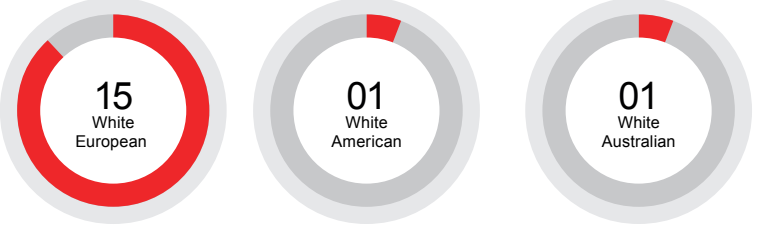
Building on feedback that the Board heard from customers throughout the year, we will oversee investments in key areas of the business, like technology and customer service to create value for our customers and help them grow, backed by data.

Sol Daurella, Chairman
15 March 2022

Board of Directors

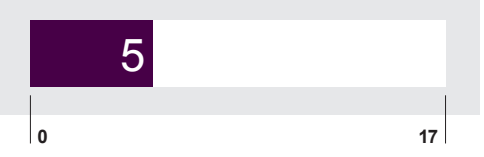
Our Board of Directors is diverse, experienced and knowledgeable, bringing together the skills needed for our long-term success in line with our skills matrix.

Ethnicity/nationality of Directors on the Board[(A)]



	Number	%
American	2	12
Australian	1	6
Austrian	1	6
British	3	18
Bulgarian	1	6
French	1	6
Irish	1	6
Dutch	1	6
Spanish	6	35

Women on the Board[(A)]



Independent Directors on the Board[(A)]

(excluding the Chairman)

(A) Numbers shown are number of Directors.

*Read more about our approach to Board diversity on **page 83***

Directors' skills and experience[(A)]

Directors' biographies

AT A C N R

Sol Daurella
Chairman

Date appointed to the Board: **May 2016**
Independent: **No**

Key strengths/experience
- Experienced director of public companies operating in an international environment
- A deep understanding of fast moving consumer goods (FMCG) and our markets
- Extensive experience at Coca-Cola bottling companies
- Strong international strategic and commercial skills

Key external commitments
Co-Chairman and member of the Executive Committee of Cobega, S.A., Executive Chairman of Olive Partners, S.A., director of Equatorial Coca-Cola Bottling Company, S.L., non-executive director and a member of the Appointments, Remuneration and Responsible Banking, Sustainability and Culture Committees of Banco Santander

Previous roles
Various roles at the Daurella family's Coca-Cola bottling business, director of Banco de Sabadell, Ebro Foods, Acciona and Co-Chairman of Grupo Cacaolat

AT A C N R

Damian Gammell
Chief Executive Officer (CEO)

Date appointed to the Board: **December 2016**
Independent: **No**

Key strengths/experience
- Strategy, risk management, development and execution experience
- Vision, customer focus and transformational leadership
- Developing people and teams and promoting sustainability
- Over 25 years of leadership experience and in depth understanding of the non-alcoholic ready to drink (NARTD) industry and within the Coca-Cola system

Key external commitments
N/A

Previous roles
A number of senior executive roles in the Coca-Cola system including in Russia, Australia and Germany, also Managing Director and Group President of Efes Soft Drinks, and President and CEO of Anadolu Efes S.K

Key

AT Affiliated Transaction Committee
A Audit Committee
C Corporate Social Responsibility Committee
N Nomination Committee
R Remuneration Committee
Committee Chairman

Directors' biographies

CONTINUED

AT A C
N R

Manolo Arroyo
Non-executive Director

Date appointed to the Board: **May 2021**
Independent: **No**

Key strengths/experience
- Extensive experience working in the Coca-Cola system
- Strong operational leadership experience in international consumer goods groups, lived and worked in four continents, both developed and emerging markets
- Strategic marketing, commercial and bottling expertise
- Served as CEO of publicly listed FMCG company
- In depth understanding of brands in the Coca-Cola system

Key external commitments
Chief Marketing Officer at The Coca-Cola Company (TCCC) and non-executive director of Effie Worldwide

Previous roles
President of the Asia Pacific Group, Bottling Investments Group, and Mexico business unit of TCCC, CEO of Deoleo, Sw.A., Senior Vice President and President, Asia Pacific of S.C. Johnson & Son, Inc., President of the ASEAN and SEWA business units of TCCC, General Manager of the Spain business unit of TCCC; Vice-Chairman of Coca-Cola COFCO Bottling China, non-executive Director of ThaiNamThip Limited and Coca-Cola Andina

AT A C
N R

Jan Bennink
Non-executive Director[(A)]

Date appointed to the Board: **May 2016**
Independent: **Yes**

Key strengths/experience
- Chairman/CEO of multinational public companies
- Extensive experience in FMCG, including the food and beverage industry
- Thorough understanding of global and Western European markets
- Strong strategic, marketing and sales experience relevant to the beverage industry

Key external commitments
Chairman of the Bennink Foundation, Board member of Wonderflow B.V., Executive Partner at Xn, and Advisor to Artisan Partners

Previous roles
Executive Chairman of Sara Lee Corporation, Chairman and interim CEO of DE Masterblenders 1753 N.V., CEO of Royal Numico N.V., director of Kraft Foods Inc., Boots Company plc, Dalli-Werke GmbH & Co KG and EFIC1 and a member of the Advisory Board of ABN Amro Bank

(A) Jan was succeeded by Dagmar Kollmann as Chairman of the Affiliated Transaction Committee in March 2022, Jan will continue to serve as a member of the committee.

AT A C
N R

John Bryant
Non-executive Director

Date appointed to the Board: **January 2021**
Independent: **Yes**

Key strengths/experience
- Chairman/CEO of a multinational public company
- Expert in strategy, mergers and acquisitions, restructuring and portfolio transformation
- 30 years' experience in consumer goods
- Strong track record of finance and operational leadership, experience in overseeing information technology
- Engaged in the cyber security strategy process

Key external commitments
Non-executive director of Ball Corporation, Compass Group plc and Macy's Inc.

Previous roles
Executive Chairman and CEO of Kellogg Company and other senior roles in the Kellogg Company including Chief Financial Officer (CFO), Chief Operating Officer (COO), President, America and President, International, and strategy advisor at A.T. Kearney and Marakon Associates

AT A C
N R

José Ignacio Comenge
Non-executive Director

Date appointed to the Board: **May 2016**
Independent: **No**

Key strengths/experience
- Extensive experience of the Coca-Cola system
- Broad board experience across industries and sectors
- Knowledgeable about the industry in our key market of Iberia
- Insights in formulating strategy drawn from leadership roles in varied sectors

Key external commitments
Director of Olive Partners, S.A., ENCE Energía y Celulosa, S.A., Compañía Vinícola del Norte de Espana, S.A., Ebro Foods S.A., Barbosa & Almeida SGPS, S.A. and Ball Beverage Can Iberica, S.L.

Previous roles
Senior roles in the Coca-Cola system, AXA, S.A., Aguila and Heineken Spain, Vice-Chairman and CEO of MMA Insurance

Directors' biographies

CONTINUED

AT A C
N R

Christine Cross
Non-executive Director

Date appointed to the Board: **May 2016**
Independent: **Yes**

Key strengths/experience
- In depth experience working in the food and beverage industry
- Consults on international business strategy, marketing and sustainable business development
- Global perspective on CCEP's activities
- Experience of chairing remuneration committees

Key external commitments
Director of Christine Cross Ltd, non-executive director of Hilton Food Group plc, Clipper Logistics plc, Pollen Estate and Chairman of Oddbox Delivery Ltd

Previous roles
Director of Brambles Limited, Fenwick Limited, Kathmandu Holdings Limited, Next plc, Woolworths (Au) plc, Sobeys (Ca) plc, Plantasgen, Fairmont Hotels Group plc, Sonae – SGPS, S.A., Premier Foods plc, Taylor Wimpey plc and member of the Supervisory Board of Zooplus AG

AT A C
N R

Nathalie Gaveau
Non-executive Director

Date appointed to the Board: **January 2019**
Independent: **Yes**

Key strengths/experience
- Successful tech entrepreneur and investor
- Expert in e-commerce and digital transformation, innovation, mobile, data and social marketing
- International consumer goods experience

Key external commitments
Non-executive director of Calida Group and Lightspeed Commerce Inc., Senior Advisor to BCG Digital Ventures, and President of Tailwind International Corp, a Special Purpose Acquisition Company

Previous roles
Founder and CEO of Shopcade, Interactive Business director of the TBWA Tequila Group, Asia Pacific E-business and CRM Manager for Club Med, co-founder and Managing Director of Priceminister, Financial Analyst for Lazard and non-executive director of HEC Paris

AT A C
N R

Álvaro Gómez-Trénor Aguilar
Non-executive Director

Date appointed to the Board: **March 2018**
Independent: **No**

Key strengths/experience
- Broad knowledge of working in the food and beverage industry
- Extensive understanding of the Coca-Cola system, particularly in Iberia
- Expertise in finance and investment banking
- Strategic and investment advisor to businesses in varied sectors

Key external commitments
Director of Olive Partners, S.A. and Sinensis Seed Capital SCR de RC, S.A.

Previous roles
Various board appointments in the Coca-Cola system, including as President of Begano, S.A., director and Chairman of the Audit Committee of Coca-Cola Iberian Partners, S.A., as well as key executive roles in Grupo Pas and Garcon Vallvé & Contreras and director of Global Omnium (Aguas de Valencia, S.A.)

AT A C
N R

Thomas H. Johnson
Non-executive Director and Senior Independent Director (SID)

Date appointed to the Board: **May 2016**
Independent: **Yes**

Key strengths/experience
- Chairman/CEO of international public companies
- Manufacturing and distribution expertise
- Extensive international management experience in Europe
- Investment and finance experience

Key external commitments
CEO of The Taffrail Group, LLC and non-executive director of Universal Corporation

Previous roles
Chairman and CEO of Chesapeake Corporation, President and CEO of Riverwood International Corporation, director of Coca-Cola Enterprises, Inc., GenOn Corporation, Mirant Corporation, ModusLink Global Solutions, Inc., Superior Essex Inc. and Tumi, Inc.

Directors' biographies

CONTINUED

AT A C N R

Dagmar Kollmann
Non-executive Director[(A)]

Date appointed to the Board: **May 2019**
Independent: **Yes**

Key strengths/experience
- Expert in finance and international listed groups
- Thorough understanding of capital markets and mergers and acquisitions
- Extensive commercial and investor relations experience
- Strong executive and senior leadership experience in global businesses
- Risk oversight and corporate governance expertise

Key external commitments
Chairman of the Supervisory Board of Citigroup Global Markets Europe AG, non-executive director of Unibail-Rodamco-Westfield SE, Deutsche Telekom AG and Paysafe Group Limited, and Commissioner in the German Monopolies Commission

Previous roles
CEO and Country Head in Germany and Austria for Morgan Stanley, member of the board of Morgan Stanley International Ltd in London, Associate Director of UBS in London, non-executive director of KfW IPEX-Bank and Deputy Chairman of the Supervisory Board of Deutsche Pfandbriefbank AG

(A) Dagmar succeeded Jan Bennink as Chairman of the Affiliated Transaction Committee in March 2022, Jan will continue to serve as a member of the committee.

AT A C N R

Alfonso Líbano Daurella
Non-executive Director

Date appointed to the Board: **May 2016**
Independent: **No**

Key strengths/experience
- Developed the Daurella family's association with the Coca-Cola system
- Detailed knowledge of the Coca-Cola system
- Insight to CCEP's impact on communities from experience as trustee or director of charitable and public organisations
- Experienced corporate social responsibility (CSR) committee chair

Key external commitments
Vice Chairman and Member of the Executive Committee of Cobega, S.A., director of Olive Partners, S.A., Chairman of Equatorial Coca-Cola Bottling Company, S.L., Vice-Chairman of MECC Soft Drinks JLT, Co-chair of the Polaris Committee at United Nations and FBN, and Ambassador of the Family Business Network and member of the board of the American Chamber of Commerce in Spain

Previous roles
Various roles at the Daurella family's Coca-Cola bottling business, director and Chairman of the Quality & CRS Committee of Coca-Cola Iberian Partners, S.A, director of Grupo Cacaolat, S.L. and director of The Coca-Cola Bottling Company of Egypt, S.A.E, member of the board of Banco Espanol de Credito Banesto, and Chair of Family Business Europe

AT A C N R

Mark Price
Non-executive Director

Date appointed to the Board: **May 2019**
Independent: **Yes**

Key strengths/experience
- Extensive experience in the retail industry
- A deep understanding of international trade
- Strong strategic and sustainable development skills

Key external commitments
Member of the House of Lords, Founder of WorkL, Chair of Trustees of the Fairtrade Foundation UK and President and Chairman of the Chartered Management Institute

Previous roles
Managing Director of Waitrose and Deputy Chairman of John Lewis Partnership, non-executive director and Deputy Chairman of Channel 4 TV and Minister of State for Trade and Investment and Trade Policy, Chair of Business in the Community, The Prince's Countryside Fund and Member of Council at Lancaster University

AT A C N R

Mario Rotllant Solá
Non-executive Director

Date appointed to the Board: **May 2016**
Independent: **No**

Key strengths/experience
- Deep understanding of the Coca-Cola system
- Extensive international experience in the food and beverage industry
- Experience of chairing a remuneration committee

Key external commitments
Vice-Chairman of Olive Partners, S.A., Co-Chairman and member of the Executive Committee of Cobega, S.A., Chairman of the North Africa Bottling Company, Chairman of the Advisory Board of Banco Santander, S.A. in Catalonia and a director of Equatorial Coca-Cola Bottling Company, S.L.

Previous roles
Second Vice-Chairman and member of the Executive Committee and Chairman of the Appointment & Remuneration Committee of Coca-Cola Iberian Partners, S.A.

Directors' biographies

CONTINUED

AT A **C** N R

Brian Smith
Non-executive Director

Date appointed to the Board: **July 2020**
Independent: **No**

Key strengths/experience
- Extensive experience of working in the Coca-Cola system
- Deep understanding of in market executional leadership
- Strong talent development and deployment skills
- Broad knowledge of global field operations at TCCC

Key external commitments
President and COO at TCCC and non-executive director and member of the Compensation Committee of Evertec, Inc.

Previous roles
President of TCCC's Europe, Middle East and Africa group, President of TCCC's Latin America group, Executive Assistant to TCCC's CEO and Vice Chairman, President of Brazil division, President of the Mexico division and also Latin America group manager for mergers and acquisitions at TCCC

AT **A** C N R

Dessi Temperley
Non-executive Director

Date appointed to the Board: **May 2020**
Independent: **Yes**

Key strengths/experience
- Financial and technical accounting expertise
- Strong commercial insights and knowledge of European markets
- International consumer brands experience
- Skilled in technology

Key external commitments
Non-executive director and Chairman of the Audit Committee of Cimpress plc, non-executive director of Philip Morris International Inc. and member of the Supervisory Board of Corbion N.V.

Previous roles
Group CFO of Beiersdorf AG, member of the Supervisory Board of tesa SE, Head of Investor Relations at Nestlé, CFO of Nestlé Purina EMENA and CFO of Nestlé South East Europe, and finance roles at Cable & Wireless and Shell

AT **A** C N R

Garry Watts
Non-executive Director

Date appointed to the Board: **April 2016**
Independent: **Yes**

Key strengths/experience
- Extensive business experience in Western Europe and the UK, including as CEO of a global consumer goods business
- Served as executive and non-executive director in a broad variety of sectors and previously chaired the Audit Committee of a sizeable company
- Financial expertise, experience and skills
- Formerly an auditor

Key external commitments
Senior Independent Director of Circassia Pharmaceuticals plc

Previous roles
Audit partner at KPMG LLP, CFO of Medeva plc, CEO of SSL International, director of Coca-Cola Enterprises, Inc., Deputy Chairman and Audit Committee Chairman of Stagecoach Group plc and Protherics plc and Chairman of BTG plc, Foxtons Group plc and Spire Healthcare Group plc

Board and Committee membership changes during the year

- Irial Finan resigned from the Board effective 26 May 2021
- Garry Watts was appointed as a member of the Affiliated Transaction Committee and resigned as a member of the Remuneration Committee effective 20 October 2021
- John Bryant was appointed as a member of the Remuneration Committee and resigned as a member of the Affiliated Transaction Committee effective 20 October 2021

Senior management

The senior management and Damian Gammell together constitute the members of the Executive Leadership Team (ELT).

Nik Jhangiani
Chief Financial Officer
Appointed **May 2016**

Nik has more than 25 years of finance experience, including 20 years within the Coca Cola system, previously as Senior Vice President and CFO for Coca-Cola Enterprises, Inc. Nik started his career in New York at accountancy firm Deloitte & Touche before spending two years at Bristol-Myers Squibb as International Senior Internal Auditor. He then joined the Colgate-Palmolive Company in New York where he was appointed Group Financial Director for the Nigerian operations, before moving to TCCC in Atlanta. He is a Certified Public Accountant.

José Antonio Echeverría
Chief Customer Service and Supply Chain Officer
Appointed **September 2019**

José Antonio leads CCEP's end to end supply chain and customer service. He is focused on creating a superior experience for our customers, while delivering an expanded and sustainable portfolio of drinks and packaging. He has been a part of the Coca-Cola system since 2005, serving as Vice President of Strategy and Transformational Projects for the Iberia Business Unit, and Vice President, Strategy and Coordination for Supply Chain across CCEP.

Stephen Lusk
Chief Commercial Officer
Appointed **March 2021**

Stephen is responsible for advancing and shaping our commercial strategy, capabilities and driving our performance in the market and with customers. He works closely with our franchise partners to bring their brands and products to life. Stephen has spent the last 30 years in the Coca-Cola system, holding senior positions in supply chain, sales and marketing and general management in Europe. Most recently, he led the Coca-Cola bottler in Singapore, Malaysia and Brunei.

Clare Wardle
General Counsel and Company Secretary
Appointed **July 2016**

Clare leads legal, risk, compliance, security and company secretariat. Prior to joining CCEP, she was Group General Counsel at Kingfisher plc, Commercial Director, General Counsel and Company Secretary at Tube Lines and held senior roles at the Royal Mail Group. She began her career as a barrister before moving to Hogan Lovells. Clare is the Senior Independent Director of The City of London Investment Trust plc and Modern Pentathlon GB.

Peter Brickley
Chief Information Officer (CIO)
Appointed **November 2016**

Peter leads the business process and technology function at CCEP, including steering CCEP's investments in technology solutions. Peter has over 20 years' experience leading technology for global businesses including Heineken, Centrica and BAT. More recently, he was Global CIO and Managing Director of Global Business Services at SABMiller. Peter is also a trustee of the Brain and Spine Foundation.

Ana Callol
Chief Public Affairs, Communications and Sustainability Officer
Appointed **January 2022**

Ana leads CCEP's sustainability strategy, effective communication with stakeholders and employees, and engagement with media, policymakers and communities. Ana has worked within the Coca-Cola System for over 20 years in roles across the spectrum of marketing, sustainability, communications and public affairs. Her consumer and customer orientation and leadership experience helps CCEP accelerate its sustainability plan, This is Forward, and strengthen the development and growth of PACS capabilities.

Senior management

CONTINUED

Victor Rufart
Chief Integration Officer
Appointed **October 2016**

Victor leads business strategy and business transformation. Prior to joining CCEP, he was CEO of Coca-Cola Iberian Partners, S.A. and spent 25 years at Cobega, S.A. Whilst with Cobega, S.A., he held a number of senior roles including Director of New Business, Head of Finance, advisor in the formation of the Equatorial Coca Cola Bottling Company and Head of Tax Planning.

Leendert den Hollander,
General Manager, Northern Europe Business Unit
Appointed **September 2020**

Leendert is responsible for CCEP's business unit in Northern Europe, including Belgium, Luxembourg, the Netherlands, Sweden, Norway and Iceland. Previously, he was General Manager of Great Britain. Prior to CCEP, Leendert was CEO of Young's Seafood and Managing Director at Findus Group Ltd. Earlier in his career, Leendert spent 15 years at Procter & Gamble in senior marketing positions.

Francesc Cosano
General Manager, Iberia Business Unit
Appointed **May 2016**

Francesc leads CCEP's business unit in Spain, Portugal and Andorra. He was previously the Operations Director then Managing Director of Coca-Cola Iberian Partners, S.A. Francesc has been part of the Coca-Cola system for over 30 years, and involved in a number of sales management positions, ultimately as Sales Director then Deputy General Manager. He has also worked as Regional Director for the Leche Pascual, S.A. Group, in Anglo Española de Distribución, S.A.

Stephen Moorhouse
General Manager, Great Britain Business Unit
Appointed **September 2020**

Stephen is responsible for CCEP's business unit in Great Britain. He has over 25 years' experience in the Coca-Cola system, leading business operations and supply chain. Stephen has held a number of other senior executive roles throughout Europe, most recently as General Manager of Northern Europe. Prior to joining, he worked overseas for the Swire Group in the US and Asian Pacific region. Stephen is a member of the British Soft Drinks Association.

Véronique Vuillod
Chief People and Culture Officer
Appointed **November 2020**

Véronique heads CCEP's People and Culture function. Having joined the Coca-Cola bottling system more than 20 years ago, she has worked in many human resources (HR) positions across business units, commercial and supply chain functions overseeing HR strategy and partnering with business leaders. Most recently, Veronique was Vice President, People and Culture in France. She began her career as a management consultant with PricewaterhouseCoopers. She supports the promotion of inclusion and diversity, HR best practices in leadership and workplace, and innovations networks.

Frank Molthan,
General Manager, Germany Business Unit
Appointed **May 2016**

Frank leads CCEP's Business Unit in Germany and has over 30 years' experience in Germany's Coca-Cola system. He started his career at Coca-Cola bottling operations in Schleswig-Holstein and North Rhine-Westphalia. He has held a range of regional and commercial leadership roles, latterly as HR Director for Coca-Cola Germany. He was also Managing Director of Coca-Cola Deutschland Verkauf GmbH and Co. KG.

François Gay-Bellile
General Manager, France Business Unit
Appointed **July 2020**

François is responsible for CCEP's business unit in France. His career began at Pernod-Ricard as a brand manager. He joined TCCC in France in 1996. Over his 24 years at TCCC he held roles of increasing responsibility in marketing, commercial and general management in the US, Asia and Europe. Before joining CCEP, François was General Manager for TCCC in France. He is a director of the French Soft Drinks Association (Boissons Rafraîchissantes de France), the French Food & Beverage Association (Association Nationale de l'Industrie Alimentaire) and ILEC (Institut de Liaisons des Enterprises de Consommation).

Peter West
General Manager, Australia, Pacific and Indonesia Business Unit
Appointed **May 2021**

Peter was appointed Vice President and General Manager of the API business unit in May 2021, following the Acquisition. Peter originally joined CCL as Managing Director, Australian Beverages in April 2018. Prior to this role, Peter was Managing Director of Lion's Dairy and Drinks business in Australia and has held several senior roles at Arnott's Biscuits Ltd and Mars Confectionery, including Regional President for Continental Europe for Mars Chocolate.

Corporate governance report

Governance framework

Our corporate governance framework is summarised below with further detail provided on the following pages

Stakeholders

Including our people, customers, suppliers, franchisors, investors, consumers and communities

Delegation

Board of Directors

Provides overall leadership, independent oversight of performance and is accountable to shareholders for the Group's long-term success

Affiliated Transaction Committee (ATC)
Has oversight of transactions with affiliates and makes recommendations to the Board (affiliates are holders of 5% or more of the securities or other ownership interests of CCEP).

Audit Committee
Monitors the integrity of the Group's financial statements and results announcements, the effectiveness of internal controls and risk management, as well as managing the external auditor relationship.
*Read more about our Audit Committee on **pages 86–91***

Corporate Social Responsibility (CSR) Committee
Oversees performance against CCEP's strategy and goals for CSR, reviews CSR risks facing CCEP, including health and safety and climate change risks, and the practices by which these risks are managed and mitigated, approves sustainability commitments and targets, and monitors and reviews public policy issues that could affect CCEP.
*Read more about sustainability on **pages 18–36***

*See our Sustainability governance framework on **page 20***

Full sustainability performance data for 2021 will be published on our website in May 2022.

Nomination Committee
Sets selection criteria and recommends candidates for appointment as INEDs, reviews Directors' suitability for election/re-election by shareholders, considers Directors' potential conflicts of interest, oversees development of a diverse pipeline for senior management and Director succession, and oversees wider people matters for the Group, including culture, diversity, succession, talent and leadership.
*Read more about our Nomination Committee on **pages 82–85***

Remuneration Committee
Recommends remuneration policy and framework to the Board and shareholders, recommends remuneration packages for members of the Board to the Board, approves remuneration packages for senior management, reviews workforce remuneration and related policies and principles, and governs employee share schemes.
*Read more about our Remuneration Committee on **pages 92–107***

Ad hoc Committees
- Disclosure Committee
- Results and Dividend sub committee

Values
Included in our Code of Conduct, ways of working and our culture

Our Strategy
Guided by our growth platform to ensure we generate sustainable shareholder returns

CEO
Empowered by authority of the Board to put agreed strategy into effect and run CCEP on a day to day basis

ELT
Team members with defined areas of responsibility support and report to the CEO

Our people
33,000 employees making, selling and distributing great beverages

Accountability

Corporate governance report

CONTINUED

Statement of compliance

The governance framework of the Company is set out in its Articles of Association (the Articles) and the Shareholders' Agreement. These provide a high level framework for the Company's affairs, governance and relationship with its stakeholders and its shareholders. The Articles and frequently asked questions about the governance framework are available on the Company's website at www.cocacolaep.com/about-us/governance.

Statement of compliance with the UK Corporate Governance Code

We follow the UKCGC on a comply or explain basis. CCEP is not subject to the UKCGC as it has a standard listing of ordinary shares on the Official List. However, we have chosen to comply with the UKCGC where possible and explain areas of non-compliance to demonstrate our commitment to good governance as an integral part of our culture. Save as set out below, CCEP complied with the UKCGC during the year ended 31 December 2021.

A copy of the UKCGC is available on the Financial Reporting Council's (FRC) website: www.frc.org.uk/directors/corporate-governance-and-stewardship/uk-corporate-governance-code.

Chairman

UKCGC provision 9

The Chairman, Sol Daurella, was not considered independent on either her appointment or election, within the meaning of the UKCGC. However, we benefit from her vast knowledge of, and long-term commitment to, the Coca-Cola system and her extensive experience and leadership skills, gained from her roles as director and CEO of large public and private institutions across many different sectors.

Annual re-election

UKCGC provision 18

Sol Daurella, the Chairman, will not be subject to re-election during her nine year tenure following the completion of the Merger. This recognises the importance of her extensive experience and knowledge of the beverage industry, and the significant shareholding of Olive Partners, S.A. (Olive Partners) in the Company.

To provide stability, none of the INEDs were put up for election at an Annual General Meeting (AGM) before the AGM in 2019 when three INEDs were put up for election. At the AGM in 2020, three INEDs were put up for election and three INEDs were put up for re-election. At the AGM in 2021, three additional INEDs were put up for election so that, in total, all nine INEDs were put up for election or re-election (Jan Bennink, John Bryant, Christine Cross, Nathalie Gaveau, Thomas H. Johnson, Dagmar Kollmann, Mark Price, Dessi Temperley and Garry Watts). This arrangement was in place to ensure effective representation of public shareholders and to retain INEDs' influence over the Company's strategic direction and operation, following the completion of the Merger. From the 2022 AGM, all INEDs will be subject to annual re-election from the point of their first election at an AGM.

Remuneration

UKCGC provision 32

The Remuneration Committee is not comprised solely of INEDs, although it is comprised of a majority of INEDs. The Shareholders' Agreement requires that the Remuneration Committee comprises at least one Director nominated by:

- Olive Partners, for as long as it owns at least 15% of the Company
- European Refreshments Unlimited Company (ER), a subsidiary of TCCC, for as long as it owns at least 10% of the Company

The Remuneration Committee, and its independent Chairman, benefit from the nominated Directors' extensive understanding of the Group's market.

Remuneration

UKCGC provision 33

The Remuneration Committee is not solely responsible for setting the remuneration of the Chairman and CEO. Instead, the Board (excluding any Director whose remuneration is linked to the decision) determines their remuneration, including the Non-executive Directors (NEDs), on the recommendation of the Remuneration Committee and following rigorous analysis and debate. To date, the Board has followed all of the Remuneration Committee's recommendations.

Differences between the UKCGC and the Nasdaq corporate governance rules (the Nasdaq Rules)

In 2021, CCEP transferred its US stock exchange listing to Nasdaq from the NYSE. The Company is classed as a Foreign Private Issuer (FPI). It is therefore exempt from most of the Nasdaq Rules that apply to domestic US listed companies, because of its voluntary compliance with the UKCGC. However, under the Nasdaq Rules, the Company is required to disclose differences between its corporate governance practices and those followed by domestic US companies listed on Nasdaq. The differences are summarised below.

Director independence

The Nasdaq Rules require a majority of the Board to be independent. The UKCGC requires at least half of the Board (excluding the Chairman) to be independent. The Nasdaq Rules contain different tests from the UKCGC for determining whether a director is independent. The independence of CCEP's NEDs is reviewed by the Board on an annual basis, taking into account the guidance contained in the UKCGC and criteria established by the Board. It has determined that a majority of the Board is independent, without explicitly taking into consideration the independence requirements outlined in the Nasdaq Rules.

Board Committees

CCEP has a number of committees whose purpose and composition are broadly comparable to the requirements of the Nasdaq Rules for domestic US companies. However, other than the Audit Committee, committee members are not all INEDs, although in all cases the majority are. Each committee has its own terms of reference (broadly equivalent to a charter document) which are reviewed annually and can be found on our website at www.cocacolaep.com/about-us/ governance/committees. A summary of the terms of reference, roles and activities of the Audit Committee, Nomination Committee and the Remuneration Committee can be found in the Committees' respective reports. The Remuneration Committee's terms of reference include responsibility for matters relating to remuneration policy, share-based incentive plans, employee benefit plans and implementation of remuneration policy.

Audit Committee

More information about the Audit Committee is set out in its report, including compliance with the requirements of Rule 10A-3 under the US Securities Exchange Act of 1934, as amended, and Rule 5605(c)(2)(A) of the Nasdaq Rules. The Audit Committee is comprised only of INEDs (complying with the Nasdaq Rules). However, the responsibilities of the Audit Committee (except for applicable mandatory responsibilities under the Sarbanes-Oxley Act) follow the UKCGC's recommendations rather than the Nasdaq Rules, although they are broadly comparable. One of the Nasdaq's similar requirements for the Audit Committee states that at least one member of the Audit Committee should have accounting or related financial management expertise. The Board has determined that John Bryant, Dagmar Kollmann, Dessi Temperley and Garry Watts possess such expertise and are therefore deemed the audit committee financial experts as defined in Item 16A of Form 20-F. It was further determined that none of the Audit Committee members had participated in the preparation of the financial statements of the Company or any of its subsidiaries.

Corporate governance report

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Shareholder approval of equity compensation plans

The Nasdaq Rules for domestic US companies require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. CCEP complies with UK requirements that are similar to those of the Nasdaq Rules. However, the Board does not explicitly take into consideration Nasdaq's detailed definition of "material amendments".

Code of Conduct

The Nasdaq Rules require relevant domestic US companies to adopt and disclose a code of conduct applicable to all directors, officers and employees. CCEP has a Code of Conduct (CoC) that applies to all Directors and the senior financial officers of the Group. If the Board amends or waives the provisions of the CoC, details of the amendment or waiver will appear on the website. No such waiver or amendment has been made or given to date.

*See **www.ccepcoke.online/code-of-conduct-policy***

Our CoC applies to all our people. We also expect all third parties who work on our behalf, such as suppliers, vendors, contractors, consultants, distributors and agents, to act in an ethical manner consistent with our CoC and in compliance with our Supplier Guiding Principles.

The CoC covers issues such as share dealing, anti-bribery, data protection, environmental regulation, human rights, health, safety, wellbeing and respect for others. It aligns with the UN Global Compact, the US Foreign Corrupt Practices Act, the UK Bribery Act, the UKCGC, the EU General Data Protection Regulation, the Spanish and Portuguese Criminal Codes and Sapin II. CCEP considers that the CoC and related policies address the Nasdaq Rules on the codes of conduct for relevant domestic US companies. We received no fines for CoC violations in 2021.

*See details of CoC Reporting on **page 40***

NED meetings

The Nasdaq Rules require INEDs to meet at regularly scheduled executive sessions at which only independent directors are present at least twice a year. The UKCGC requires NEDs to meet without the Chairman present at least once annually to appraise the Chairman's performance. The NEDs have regular meetings without management present and in 2021, there were two separate meetings of INEDs.

Board leadership and company purpose

Role of the Board

The Board is primarily responsible for the Group's strategic plan, risk appetite, systems of internal control and corporate governance policies, to ensure the long-term success of the Group, underpinned by sustainability. To retain control of key decisions and ensure there is a clear division of responsibilities, there is a formal schedule of matters reserved to the Board, which sets out the structure under which the Board manages its responsibilities, and provides guidance on how it discharges its authority and manages its activities. Reserved matters include strategic decisions, approval of annual and long-term business plans, suspension, cessation or abandonment of any material activity of the Group and material acquisitions and disposals.

The Board, through the Nomination Committee, assesses and monitors the Group's culture to ensure it aligns with the Group's purpose, values and strategy set by the Board.

*Read more about our strategy on **page 16***

*See our Nomination Committee's report on **pages 82–85***

Stakeholders

Stakeholders are important to CCEP and this is recognised by the Board. We use a matrix to help ensure Directors have the right engagement and information to understand stakeholders' input to our business and our impact on them. This enables the Board to consider stakeholders' interests in their decision making.

Regular engagement with both existing and potential shareholders is important to the Board. On behalf of the Board, our CEO, CFO and the Investor Relations team engage with investors and analysts throughout the year. The Board receives regular updates on the views of shareholders and the Investor Relations programme.

*See a summary of our stakeholder engagement on **pages 12–15***

The terms of reference and remit of the Remuneration Committee include remuneration policy at all levels across the Group aligned with the Company's long-term strategic goals. The Nomination Committee's terms of reference and remit include key people issues such as culture, succession planning and diversity. The Chairmen of those committees are responsible for championing, and reporting back to the Board on, these matters and sit on each other's Committee to ensure seamless coverage of the full range of people matters. The Board also takes the opportunity to engage with our people directly.

*Read more in the Nomination Committee report on **pages 82–85***

Our people are able to raise any concerns they have, online or by telephone in confidence through Speak Up, CCEP's whistleblowing hotline. The Audit Committee updates the Board on whistleblowing arrangements, reports and investigations.

*Read more in the Audit Committee report on **pages 87–91***

Board activities during the year

The Chairman sets the Board agenda, which consists of the following discussion matters:

- Updates from the CEO, the CFO and other key senior executives on the business performance and key business initiatives
- Governance matters
- Strategy
- Diversity
- Sustainability
- Material expenditure and other Group matters

The key areas of focus for the Board's activities and topics discussed during the year are set out in table 1 on page 77.

Strategy remained a key focus for the Board. During the year, the Board considered and debated our future strategy focusing on ESG, retail in a post COVID-19 world and growth. The Board also received briefings from management on API integration, digital and sustainability.

Training and development

Training and development opportunities are regularly provided to Directors to ensure they provide constructive challenge to management. There are regular virtual training sessions for Directors on a wide range of topical areas. The programme for 2021 is set out in table 2 on page 78.

Conflicts of interest

The UK Companies Act 2006 (the Companies Act), the Articles and the Shareholders' Agreement allow the Directors to manage situational conflicts (situations where a Director has an interest that conflicts, or may conflict, with our interests). The Nomination Committee considers issues involving potential situational conflicts of interest of Directors. Each Director is required to declare any interests that may give rise to a situational conflict of interest with CCEP on appointment and subsequently as they arise. Directors are required to review and confirm their interests annually. The Board is satisfied that the systems for the reporting of situational conflicts are operating effectively.

Corporate governance report

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Table 1
Board activities in 2021

Area of focus	Discussion topics
Growth platform	– COVID-19: protecting our people, serving our customers, supporting our communities and preserving the long-term future of the business – Increasing consumer choice by innovating on flavours and growing our portfolio of products and monitoring performance of innovations – Route to market development – Front line sales strategy – Retail environment and customer challenges – Collaborative customer growth – Pricing challenges and opportunities
Accelerate competitiveness	– Assessing acquisition opportunities, including CCL – The 2021 and 2022 annual business plans, including strategic priorities – Long-range planning – Transformation and competitiveness initiatives – Capital allocation and expenditure – Treasury matters including delegations of authority to management – Competitor review and market analysis
Future ready culture	– API integration and growth strategy – Enterprise risk management, including risk appetite and risk assessment – Safety and oversight of management's response to fatalities – CCEP Ventures, our innovation investment fund – Engagement with CCEP's key and other stakeholders – Approval of 2020 Modern Slavery Statement, published in May 2021 – Approval of tax strategy – Investor engagement – Relationship with TCCC and other franchisors
Digital future	– Digital transformation programme – Digital commercial capabilities – Approach to cyber security and risk
Green future	– Sustainability performance and climate strategy – Sustainable packaging strategy – Climate strategy and carbon reduction commitments – Deposit return schemes
Our people	– People strategy including performance acceleration, employee engagement, talent, learning and development, future ready leadership – Culture and its role in supporting the strategy – Inclusion, diversity and equity (ID&E) – Employee wellbeing – Wider workforce remuneration – Attendance at virtual employee town hall
Corporate governance	– Public policy and regulatory developments affecting CCEP, particularly in relation to ESG – Approval of financial results and associated viability and going concern statements – Approval of trading updates – Approval of interim dividend payment – Approval of Integrated Report and Form 20-F for 2020, subject to final sign off by a sub committee – Approval of Notice of AGM, subject to final sign off by a sub committee – Move from NYSE to Nasdaq – Board evaluation feedback and action plan – Succession planning for the Board and improving Board diversity – Succession planning for Committee membership and chairmanship – Approval of revised and new policies – Approval of new Director appointment: Manolo Arroyo – Approval of the updated global chart of authority

Corporate governance report

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Table 2
Director training and development programme

Form of training	Purpose	Subject or speaker
Briefings	To focus on matters of interest to CCEP as well as on relevant commercial, legal and regulatory developments	– API markets induction – API audit induction – Costa Coffee – ESG – Indonesia – New Zealand – TCCC Technical, Innovation and Supply Chain
Development sessions	To address requests from Directors	– Brokers and shareholder activism – Data and analytics – Sustainable packaging
Site visits	Visits to Group businesses, factories and commercial outlets to enhance knowledge of CCEP operations and meet employees, suppliers and customers	– Virtual site tour in Dongen, Netherlands and Mannheim, Germany – Virtual market tours – Opportunity to attend annual kick off meetings in business units and functions
External speakers	To receive insights from experts and engage with stakeholders	– Our franchisors, e.g. TCCC – Our customers – Our brokers – Industry representatives

Division of responsibilities

Governance structure

The Board, led by the Chairman, is responsible for the leadership of the Group. While both the Executive Director and NEDs have the same duties and constraints, they have different roles on the Board (see table 3). There is a clear, written division of responsibilities between the Chairman and the CEO. The Board has approved a framework of delegated authority to ensure an appropriate level of Board contribution to, and oversight of, key decisions and the management of daily business that support its long-term sustainable success. This framework has been designed to enable the delivery of the Company's strategy and is outlined in our governance framework on page 74.

The Board delegates certain matters to its Committees. Each of the five Committees has its own written terms of reference, which are reviewed annually. These are available at www.cocacolaep.com/about-us/governance/committees.

The CEO with the ELT manages the day to day business. All decisions are made in accordance with our chart of authority, which defines our decision approval requirements and ensures that all relevant parties are notified of decisions impacting their area of responsibility. The chart of authority was reviewed and updated during the year to ensure that it was fit for purpose and covered API.

Board and Committee meetings

The Board held six formal meetings during 2021, with additional ad hoc meetings with Board and Committee members held in line with business needs. Directors are expected to attend every meeting. If a Director is unable to attend, the relevant papers are provided to that Director in advance so that comments can be given to the Chairman or Committee Chairman, as applicable, who relays them at the meeting. Afterwards, the Chairman or Committee Chairman, as applicable, also briefs the Director on the matters discussed.

Attendance during 2021 is set out in table 4 on page 80. The Chairman attends most Committee meetings. There is cross membership between the Audit Committee and Remuneration Committee. This helps ensure remuneration outcomes align with the underlying performance of CCEP. The Chairman of the Nomination Committee sits on the Remuneration Committee and the Chairman of the Remuneration Committee sits on the Nomination Committee. This reflects CCEP's joined up approach to investing in and rewarding our people. Cross membership between Committees enables active collaboration and liaison across Committees.

At the end of most Board meetings, two sessions are held: one that all Directors attend, without management present, and the other that all NEDs attend, without management or the CEO present. In 2021, there were also two separate meetings of INEDs. Directors may raise any matter they wish for discussion at these sessions.

Corporate governance report

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Board support

Board meetings are scheduled at least one year in advance, with ad hoc meetings arranged to suit business needs. Prior to COVID-19, meetings were held in a variety of locations, reflecting our engagement with all aspects of our international business. COVID-19 restrictions meant the Directors were only able to meet in person once. The remaining Board and Committee meetings were held virtually.

The agenda of Board meetings follow our annual Board programme. This sets out the standing items at each meeting, such as periodic activities (including results and AGM documentation), business plan and the assessment of Board evaluation results.

Before the Board meeting, the Chairman, CEO and Company Secretary agree the final agenda. This covers discussion items such as the status of ongoing projects and stakeholder considerations. Comprehensive briefing papers are circulated electronically to all Directors, to allow time to review the matters which are to be discussed.

Throughout the year Directors have access to the advice and services of the Company Secretary and independent professional advice, at the Company's expense.

Board paper review

In 2021, Independent Audit (IA) carried out an externally facilitated Board paper review. IA does not have any connection with the Board or any individual Director. The Board paper review involved a detailed review of the materials presented to Board and Committee meetings combined with interviewing preparers of papers and the Company Secretarial team. The review produced a detailed proposal with suggestions to improve the format and content of Board papers, along with the Board paper preparation process.

Overall, the review confirmed that Board papers work in communicating the core information needed for effective Board oversight but opportunities to strengthen their effectiveness were identified. IA also supported the development of our board papers through a series of advice sessions for the preparers of papers. In 2022, actions will be taken to implement these improvements.

Independence of Non-executive Directors

The Board reviewed the independence of all the NEDs against the UKCGC and also considered the requirements of SEC Rule 10A-3 in relation to the Audit Committee. It determined that Jan Bennink, John Bryant, Christine Cross, Nathalie Gaveau, Thomas H. Johnson, Dagmar Kollmann, Mark Price, Dessi Temperley and Garry Watts are independent and continue to make effective contributions. The Board recognises that seven of CCEP's NEDs, including the Chairman, cannot be considered independent. However, they continue to demonstrate effective judgement when carrying out their roles and are clear on their obligations as Directors, including under section 172 of the Companies Act.

Our CEO, Damian Gammell, is not considered independent because of his executive responsibilities to the Group.

Consequently, the majority of the Board are independent.

Composition, succession and evaluation

Board diversity and composition

The composition of the Board and its Committees is set out in table 4 on page 80. This includes details of appointments and resignations during 2021. As their biographies on pages 66–71 show, our Board members have a range of backgrounds, skills, experiences and nationalities, demonstrating a rich cognitive diversity beyond gender.

*See an overview of our Directors' skills and experience on **page 66***

*Read more about the Group's approach to ID&E on **pages 37–39***

Our commitment to diversity begins at the top, with clear leadership from our Board, and is embedded at every level of our business through our Inclusion and Diversity Policy, This is Forward and the CoC. We are committed to reaching 33% female Board membership by 2023 and aim to appoint at least one Director from an ethnic minority to the Board. Furthermore, the Board considers that it would be appropriate to have 40% female representation overall and will, with its stakeholders, work towards that as a longer term aim. The Nomination Committee is committed to overseeing a diverse pipeline for senior management and Director positions.

*Read more about Board succession and diversity on **page 83***

*See the Board's diversity policy in the Criteria for selection of INEDs at **www.cocacolaep.com/about-us/governance***

Table 3

Roles on the Board

Role	Responsibilities
Chairman	– Operating, leading and governing the Board – Setting meeting agendas, managing meeting timetables – Promoting a culture of open debate between Directors and encouraging effective communication during meetings – Creating the conditions for overall Board and individual Director effectiveness
CEO	– Leading the business – Implementing strategy approved by the Board – Overseeing the operation of the internal control framework
SID	– Advising and supporting the Chairman by acting as an alternative contact for shareholders and as an intermediary to NEDs
NEDs	– Providing constructive challenge, strategic guidance, external insight and specialist advice to the Board and its Committees – Hold management to account – Offering their extensive experience and business knowledge from other sectors and industries
Company Secretary	– Assisting the Chairman by ensuring that all Directors have full and timely access to relevant information – Advising the Board on legal, compliance and corporate governance matters – Organising the induction and ongoing training of Directors

Corporate governance report

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Re-election of Directors

The Board has determined that the Directors, subject to continued satisfactory performance, shall stand for re-election at each AGM with the exception of the Chairman as explained on page 75. All Directors appointed by Olive Partners (other than the Chairman), ER nominated Directors Manolo Arroyo and Brian Smith, plus Jan Bennink, John Bryant, Christine Cross, Damian Gammell, Nathalie Gaveau, Thomas H. Johnson, Dagmar Kollmann, Mark Price, Dessi Temperley and Garry Watts will submit themselves for re-election at the 2022 AGM. The Board is confident that each Director will carry on performing their duties effectively and remain committed to CCEP.

The NED terms of appointment are available for inspection at the Company's registered office and at each AGM. Among other matters, these set out the time commitment expected of NEDs. On appointment, the Board took into account the other demands on the time of John Bryant and Manolo Arroyo. The Board is satisfied that the other commitments of all Directors do not interfere with their ability to perform their duties effectively.

*See the significant commitments of our Directors in their biographies on **pages 67–71***

Table 4

Meeting attendance by Board and Committee members[A]

	Independent or nominated by Olive Partners or ER[B]	Board of Directors	Affiliated Transaction Committee	Audit Committee	CSR Committee	Nomination Committee	Remuneration Committee
Chairman							
Sol Daurella	Nominated by Olive Partners	6 (6)	5 (5)			5 (5)	
Executive Director							
Damian Gammell	CEO	6 (6)					
Non-executive Directors							
Manolo Arroyo[C]	Nominated by ER	4 (4)				3 (3)	3 (3)
Jan Bennink[D]	Independent	6 (6)	5 (5)		5 (5)		
John Bryant[E]	Independent	6 (6)	4 (4)	9 (9)			1 (1)
José Ignacio Comenge	Nominated by Olive Partners	6 (6)	5 (5)				
Christine Cross	Independent	6 (6)				5 (5)	6 (6)[I]
Irial Finan[C][F]	Nominated by ER	2 (2)				2 (2)	2 (3)
Nathalie Gaveau	Independent	6 (6)			5 (5)		
Álvaro Gómez-Trénor Aguilar	Nominated by Olive Partners	6 (6)					
Thomas H. Johnson[F]	SID	6 (6)				5 (5)[I]	5 (6)
Dagmar Kollmann[D][G]	Independent	5 (6)	5 (5)[I]	8 (9)			
Alfonso Líbano Daurella	Nominated by Olive Partners	6 (6)			5 (5)[I]		
Mark Price	Independent	6 (6)			4 (5)	5 (5)	
Mario Rotllant Solà	Nominated by Olive Partners	6 (6)					6 (6)
Brian Smith	Nominated by ER	6 (6)			5 (5)		
Dessi Temperley	Independent	6 (6)		9 (9)			
Garry Watts[H]	Independent	6 (6)	1 (1)	9 (9)[I]			5 (5)

(A) The maximum number of scheduled meetings in the period during which the individual was a Board or Committee member is shown in brackets.
(B) Nominated pursuant to the Articles of Association and terms of the Shareholders' Agreement.
(C) Manolo Arroyo was appointed as a Director by ER when Irial Finan stepped down on 26 May 2021.
(D) Dagmar Kollman succeeded Jan Bennink as Chairman of the Affiliated Transaction Committee effective 9 March 2022, Jan Bennink will continue to serve as a member.
(E) Effective 20 October 2021, John Bryant resigned as a member of the Affiliated Transaction Committee and was appointed as a member of the Remuneration Committee.
(F) Irial Finan and Thomas H. Johnson were both unable to attend the May 2021 Remuneration Committee and Christine Cross consented to act as their alternates.
(G) Dagmar Kollman was unable to attend: the March 2021 CSR Committee meeting and appointed Christine Cross as her alternate; the September 2021 Audit Committee; and one day of the December 2021 Board meeting and appointed Nathalie Gaveau as her alternate.
(H) Effective 20 October 2021, Garry Watts resigned as a member of the Remuneration Committee and was appointed as a member of the Affiliated Transaction Committee.
(I) Chairman of the Committee

Corporate governance report

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Table 5

2021 Board evaluation findings and actions

	Strategy	Succession	Decision making
2021 findings	Renew Board focus on long-term business strategy and risk	Improve Board oversight of succession planning for key senior management positions	Enhance information flows to facilitate more effective decision making
Actions undertaken in 2021	– Focused on long range plan, future challenges and opportunities in the September 2021 strategy meeting – Reviewed the forward agenda with the Board to ensure key topics were covered in the annual cycle – Board involvement in risk review process evolved and risk session to be included annually at the Board, as well as the Audit Committee	– Session on Executive succession to be included annually at the Board, as well as the Nomination Committee – Arrangements made for the Board to meet high potential pipeline candidates – A broader range of senior team presented in the Board and at training sessions	– Committee decisions and actions provided ahead of Board meeting – Committee Chairmen to focus on key strategic issues in the report back – Independent Audit engaged to review board papers to improve reporting

Table 6

Disclosure of compliance with provisions of the Audit, risk and internal control and Remuneration sections of the UKCGC

Items located elsewhere in the 2021 Integrated Report	Page(s)
Directors' responsibilities statement	111
Directors' statement that they consider the Integrated Report and financial statements, taken as a whole, to be fair, balanced and understandable	111
Going concern statement	110
Assessment of the Group's principal risks	42–47
Viability statement	48
Risk management and internal control systems and the Board's review of their effectiveness	47
Audit Committee report	86–91
Directors' remuneration report	92–107

Board evaluation

In 2021, Ffion Hague of Independent Board Evaluation (IBE) carried out an externally facilitated Board effectiveness review. Neither Ffion nor IBE has any connection with the Board or any individual Director. The Board effectiveness review involved interviewing each Director, obtaining feedback from non-Board contributors and observing Board and Committee meetings. The review produced comprehensive reports on the Board, each Committee and the Directors, and the Board discussed them in detail. Based on the feedback, a tangible action plan was developed and agreed by the Board.

Overall, the Board confirmed that it continued to perform effectively. Board culture, its relationship with senior management and Board support were highly rated but some areas for further improvement were identified. These are set out in table 5.

Given the depth and breadth of the 2021 effectiveness review, it was determined that an internal Board evaluation process was appropriate for 2022. This has been recommended to the Board by the Nomination Committee for 2022.

Audit, risk and internal control and Remuneration

Disclosures of compliance with provisions of the Audit, risk and internal control and Remuneration sections of the UKCGC are located elsewhere in this Integrated Report. These disclosures include descriptions of the main features of CCEP's internal control and risk management systems as required by rule 7 of the Disclosure Guidance and Transparency Rules (DTRs). Table 6 sets out where each respective disclosure can be found.

Annual General Meeting

The AGM continues to be a key date in our annual shareholder engagement programme. Due to certain restrictions placed on indoor public gatherings by the UK Government, and in the interests of health and safety during the COVID-19 pandemic, CCEP's 2021 AGM was conducted as a closed meeting.

We were pleased that all resolutions were passed by more than 80% of those voting.

The 2022 AGM of the Company will be held in May at Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom. The Notice of AGM will set out a full description of the business to be conducted at the meeting. This will be available on our website from the time of its posting to shareholders in April 2022.

The Chairman, SID and Committee Chairmen are available to shareholders for discussion throughout the year to discuss any matters under their areas of responsibility, by contacting the Company Secretary.

*Read more about our engagement with investors on **page 13***

Sol Daurella, Chairman
15 March 2022

Nomination Committee Chairman's letter

"We have supported management to integrate API and promote the values and behaviours across CCEP that support our desired culture."

Thomas H. Johnson, Chairman of the Nomination Committee

Dear Shareholder

I am pleased to report on the work of the Nomination Committee during 2021. As our Chairman explains in her introduction to the Governance and Directors' Report, it has been an exciting year for CCEP as we welcome API.

API

We have supported management to integrate API and promote the values and behaviours across the region that support CCEP's desired culture.

Our people

As we learn to operate in a world with COVID-19, we also continue to monitor and drive our people strategy, promote ID&E and support the actions by management to protect the wellbeing of our people.

*Read more about the wellbeing of our people on **page 37***

Board succession and diversity

To secure the best people to lead CCEP, we also continued our focus on Board and senior management succession during the year. We recognise the importance of maintaining a strong pipeline for Board succession and actively continue on our search for diverse candidates aligned with our updated INED selection criteria and our restated diversity targets.

*Read more about Board succession and diversity on **page 83***

A brief summary of the Nomination Committee's activities during 2021 is provided in table 1 on page 84. We give more details about some of these activities throughout the rest of the Nomination Committee report.

Looking forward to 2022

Along with its regular schedule of topics, the Committee has the following activities planned for 2022:

- Focus succession planning on securing diverse INED candidates (with experience and understanding of API)
- Oversee the orderly succession of Committee Chairman and membership rotation
- Assess and monitor the actions to enhance the employee experience through, among other things, strengthening the voice of our people
- Provide input to ensure leadership and our people have future ready skills and retain winning talent
- Promote actions that support CCEP as a sustainable and high-performing organisation
- Ensure an inclusive and purpose led culture is further embedded throughout CCEP on behalf of the Board
- Advocate practices that support our commitment to ESG matters, particularly those related to social and governance

Availability to shareholders

I am available to shareholders for discussion throughout the year to answer any questions about the work of the Committee.

Thomas H. Johnson, Chairman of the Nomination Committee
15 March 2022

Nomination Committee report

Nomination Committee role

The key duties and responsibilities of the Nomination Committee are set out in its terms of reference.

These are available at www.cocacolaep.com/about-us/governance/committees. They cover the following areas:

- Corporate governance
- Director selection, re-election and review
- Potential conflicts of interest
- Evaluations of the Board and succession planning
- Culture and workforce

Membership

	Member since
Thomas H. Johnson (Chairman)	May 2019
Manolo Arroyo	May 2021
Christine Cross	May 2019
Sol Daurella	May 2016
Mark Price	May 2019

Activities of the Nomination Committee during the year

The Nomination Committee has a process for planning its future meeting agendas and topics to be considered. Table 1 on page 84 sets out the matters considered by the Committee during 2021. Further detail is provided in this report. The Committee met five times during the year.

*See details of attendance at meetings on **page 80***

Board succession and diversity

To oversee and guide the delivery of the Group's strategy, we continue to focus on maintaining a well balanced Board with the right mix of individuals who bring their wide business knowledge and experience. To support this, we use a matrix of skills required on the Board to support the Group's future plans, which we review annually. Also, our INED selection criteria, which we keep under review, reflect the importance of selecting candidates who can give voice to stakeholder interests effectively, particularly to help discharge the Board's duties under section 172 of the Companies Act 2006.

*See our Criteria for the selection of INEDs at **www.cocacolaep.com/about-us/governance***

Diversity on the Board

Developing a diverse Board is a key focus. Cognitive diversity is important to good decision making, and we pay particular attention to this in our succession planning. This is driven by diversity of background, including gender and ethnic diversity. It is part of the INED selection criteria and diversity is a key consideration in considering potential INED candidates.

In 2021, female representation on the Board remained at 29.4% which was the same level as in 2020. Regrettably, we have not reached the 33% female Board membership target as previously set by the Board and our INED selection criteria. In addition, our INED selection criteria states our ambition to appoint at least one Director from an ethnic minority to the Board, which we have not reached.

We take meeting these targets seriously and the Board reviewed the INED selection criteria and targets through the year. We are committed to reaching 33% female Board membership by 2023 and aim to appoint at least one Director from an ethnic minority to the Board. Furthermore, the Board considers that it would be appropriate to have 40% female representation overall and will, with its stakeholders, work towards that as a longer term aim.

We know we have more work to do and are committed to reporting on our progress transparently and making our Board more representative, in particular by paying attention to gender and ethnic diversity in our succession planning and pipeline.

Our Board level diversity statistics are disclosed in accordance with the Nasdaq Rules in table 2 on page 85.

*See an overview of our Directors' diversity, skills and experience on **page 66***

Independent Non-executive Director succession

We continue to plan for the managed succession of INEDs so we maintain the right balance of skills and experience on the Board and Committees. We have drawn up INED candidate specifications based on our updated INED selection criteria, our restated diversity targets and the gaps identified through our skills matrix. In 2021, the skills matrix was also updated to reflect Board members' API business experience and market knowledge. Through our review of the skills matrix, we were able to identify the likely skills that could be lost through Board refreshment.

We engaged two external recruitment consultant firms, MWM Consulting and Russell Reynolds Associates, to identify potential INED candidates with the skill set identified while also having in mind the desirability of increasing API territory experience and increasing diversity. From the initial list of potential candidates, a shortlist was identified for interview by members of the Committee, the Chairman and other Board members in 2022. MWM Consulting has no connection with the Board or any individual Director. Russell Reynolds Associates supported some of CCEP's recruitment activities in the UK and Germany in 2021. It has no other connection to CCEP and has no connection to any individual Director.

Appointments during the year

John Bryant was appointed to succeed Javier Ferrán with effect from 1 January 2021. John has a finance background and a strong track record of operational leadership and brings over 30 years' experience in consumer goods to the Board. Further he has extensive experience in information technology and will serve as CCEP's designated INED engaged in the cyber security strategy process.

*Read more in the Audit Committee report on **pages 86–91***

In May 2021, in accordance with the Company's Articles and the Shareholders' Agreement, ER nominated Manolo Arroyo to replace Irial Finan.

Induction

All new Directors receive a suite of induction materials explaining:

- Their role and responsibilities
- Attributes of an effective board
- Their legal duties and responsibilities, including in relation to section 172 of the Companies Act
- The calendar of Board and Committee meetings
- Governance documents, policies and procedures
- Committee terms of reference
- Our CoC
- Our share dealing code
- Background information about the Group

Established Directors mentor new Directors. Meetings with members of the Board and the ELT and site visits in a number of our markets are also arranged. John and Manolo each undertook a comprehensive induction programme with some meetings and site visits taking place virtually due to COVID-19. This was tailored to their individual requirements and phased to allow feedback and further customisation of meetings and other development activities. For instance, John Bryant received a briefing on CCEP's cyber preparedness as our designated INED engaged in the cyber security strategy process.

Nomination Committee report

CONTINUED

Executive Leadership Team

During 2022 we considered succession plans for the Group's ELT.

- Stephen Lusk was promoted from the role of Vice President Commercial Development to the newly created role of Chief Commercial Officer in March 2021
- Peter West, previously Managing Director of CCL, became Vice President and General Manager of the API Business Unit in May 2021, following the Acquisition
- Lauren Sayeski departed as Chief Public Affairs, Communications and Sustainability Officer at the end of December 2021. Ana Callol was appointed to succeed her with effect from 1 January 2022

Evaluation

At the end of each year, we recommend the process to be used to evaluate the performance of the Board and its Committees at the start of the following year.

We recommended to the Board that an internal Board evaluation process be undertaken in early 2022 similar to that undertaken in 2020. The Board accepted our recommendation and appointed Lintstock to support a questionnaire based exercise, alongside interviews of all Directors by the SID.

Read more about the 2021 Board evaluation exercise on ***page 81***

Table 1

Matters considered by the Nomination Committee during 2021

Meeting date	Key agenda items
March 2021	– Wellbeing strategy and listening to the voice of our employees – Developing future ready leaders – Succession planning for ELT and senior management – Succession planning for Committee membership and chairmanship – Director succession, particularly INEDs
May 2021	– Integration of API colleagues – Culture development and people strategy – ID&E: focusing on culture and heritage – Succession planning for Committee membership and chairmanship – Review of the Board's governance guidelines – Review of the Board's diversity targets and INED selection criteria – Succession planning for ELT and senior management
July 2021	– Culture and ways of working journey – ID&E: focusing on LGBT+ – Director succession, particularly INEDs – Succession planning for Committee membership and chairmanship – Director skills matrix – Committee evaluation
October 2021	– Engagement and culture pulse survey – Strategic talent management – Succession planning for Committee membership and chairmanship – Director succession, particularly INEDs – ESG
December 2021	– Succession planning for ELT and senior management – People strategy: 2021 conclusion and 2022 plans – Purpose led ID&E agenda focusing on ESG, particularly social – Director succession, particularly INEDs – Board evaluation process

Nomination Committee report

CONTINUED

Our people

We oversee the approach to culture, succession planning and talent management, including diversity, for the whole Group.

For Europe, we regularly receive data and actionable insights about our people through the people and culture reporting dashboard. Metrics include female leadership headcount, annual voluntary turnover, engagement scores, safety performance and promotion rate. The metrics were chosen based on external benchmarks, best practice, business relevance and availability of accurate data. We are working with management to develop the reporting needed to provide a consistent people and culture reporting dashboard for API.

Inclusion, diversity and equity (ID&E)

We are committed to fostering an inclusive environment where our people feel they can be themselves, be valued and belong as set out in our policy on ID&E.

We regularly receive updates on ID&E initiatives and provide challenge and feedback on those actions and initiatives. In 2021, we received updates across CCEP's five diversity pillars including gender and multi generations with focused briefings from management on culture and heritage, LGBT+ and disability.

In October 2021, we conducted a voluntary, anonymous survey focused on ID&E across the majority of our countries to better understand our people's experience at CCEP.

Table 2

Nasdaq Board diversity disclosure[(A)]

Board Diversity Matrix (As of 31 December 2021)

Country of principal executive offices:	United Kingdom			
Foreign private issuer	Yes			
Disclosure prohibited under home country law	No			
Total number of directors	17			
	Female	Male	Non-Binary	Did not Disclose Gender
Part I: Gender identity				
Directors	5	12	0	N/A
Part II: Demographic background				
Underrepresented individual in home country jurisdiction	0			
LGBTQ+	0			
Did not disclose demographic background	14			

(A) Disclosure permitted with Director consent.

We continue to monitor progress towards ID&E objectives in the business, in particular the target to have 40% of our management positions held by women by 2025.

*Read more about our approach to ID&E and workforce diversity statistics on **pages 37–39***

Engagement

In January 2021, we conducted a pulse engagement survey and in June 2021, following the Acquisition, we conducted a global pulse engagement survey across Europe and API. We considered the results and action plans with management.

We were pleased that the results showed strong engagement scores. Our people feel safe at work, excited about the future of CCEP and would recommend CCEP as a great place to work. Results also identified some areas for improvement. We are reassured that management are committed to take action on and improve scores in employee communications, personal growth opportunities and decision making.

*Read more about how we engage with our people on **page 12***

Talent and capability

We believe that our people are the key to delivering our growth strategy and future ready culture.

We operationalise our approach to talent and succession by regularly reviewing employee potential, identifying critical roles, updating succession plans and nurturing emerging leaders.

We received updates on the progress of learning and development initiatives and the actions being taken to accelerate our philosophy that "everyone has talent and everyone can grow". We provided challenge and feedback on those actions and initiatives.

We continue to believe that building our leadership capability is a key differentiator for performance. During 2021, we continued to deliver our leadership development programme and training to accelerate performance in API. We also we formed our new global senior leadership group and refreshed our leadership competency framework.

*Read more about our approach to development on **page 39***

Independence

*See the list of Non-executive Directors determined to be independent on **page 79***

Thomas H. Johnson, Chairman of the Nomination Committee
15 March 2022

Audit Committee Chairman's letter

"The Committee dedicated significant time overseeing the smooth integration of API."

Garry Watts, Chairman of the Audit Committee

Dear Shareholder

I am pleased to present the Audit Committee report for 2021.

Areas of responsibility

The Committee is a key part of CCEP's governance framework, to which the Board has delegated oversight for key responsibilities. We provide support and advice to the Board on matters set out in our terms of reference, and on other matters at the request of the Board.

We've detailed our role and responsibilities in our report over the following pages. We carry out our responsibilities in accordance with the UKCGC.

CCL integration

During 2021, we've dedicated significant time to overseeing the smooth integration of API. The Committee has enhanced oversight over this process. We prioritised ensuring day one business continuity and capturing critical functional areas. Since then, the scope of our focus has also included:

- progressing purchase price accounting
- ensuring readiness for Sarbanes Oxley section 404 (SOX) compliance for the year ending 31 December 2022
- overseeing acquisition accounting matters including impacts to CCEP's risk profile and on financial reporting
- integrating the finance and internal audit functions
- revisiting our audit plan to include proposed audits for API's territories

Risk management

Our responsibilities include overseeing the Group's internal control and risk management framework and, supported by our external audit team, monitoring and reviewing the integrity of the Group's financial statements.

COVID-19 continues to present a unique set of challenges. Throughout the pandemic, we've worked closely with management and the Board to ensure our internal controls continue to operate effectively and our risk profile remains at an appropriate level.

We receive regular reports from the Head of Internal Audit on the progress of our audit plan and from our Chief Compliance Officer who oversees risks.

IT and cyber security risk

We also oversee CCEP's business capability and cyber security programme from a risk control perspective. In 2021, John Bryant, who has a finance background and strong track record of operational leadership as well as experience in overseeing information technology, was appointed to the Audit Committee. John will serve as CCEP's designated INED, engaged in the cyber security strategy process.

ESG

We have also reviewed the sustainability metrics for capital expenditure proposals, reviewed climate risks as part of the risk management framework discussions, reviewed outputs from sustainability audits conducted and have engaged in learnings to understand the future obligations of reporting and disclosure of ESG matters.

New lead audit partner

We have a new lead audit partner at EY, our external auditor. Sarah Kokot has replaced Karl Havers and undertook EY's sixth audit for CCEP in 2021. EY provides robust challenge to management and sound independent assurance on specific financial reporting judgements and the control environment.

Outlook

Looking forward to 2022, CCEP continues to embrace new digital capabilities and technology. I've no doubt cyber security will feature high on our agenda as part of our oversight of business continuity and enterprise risk management (ERM). We will also continue our enhanced supervision over the CCL integration, including SOX compliance, and to give due consideration to climate-risk and ESG-related reporting matters including any relevant consideration with respect to the Group's financial statements.

Committee effectiveness

An external evaluation concluded that the Committee continued to operate effectively in 2021 and made certain recommendations for continuous improvement.

*More information can be found on **page 81***

Availability to shareholders

I am available to shareholders throughout the year to answer any questions on the work of the Committee.

Garry Watts, Chairman of the Audit Committee
15 March 2022

Audit Committee report

Membership

	Member since
Garry Watts (Chairman)	April 2016
John Bryant	January 2021
Dagmar Kollman	May 2019
Dessi Temperley	May 2020

*See details of meeting attendance in 2021 on **page 80** and read more about the Audit Committee members on **pages 66– 71***

Key responsibilities

The role and responsibilities of the Audit Committee are set out in the terms of reference, which are available at www.cocacolaep.com/about-us/governance/committees and are reviewed annually by the Committee.
Key responsibilities include:

Accounting and financial reporting

- Monitoring the integrity of the Group's annual audited financial statements and other periodic financial statements
- Reviewing any key judgements contained in them relating to financial performance

Systems of internal control and risk management

- Reviewing the adequacy and effectiveness of the Group's internal control processes
- Overseeing the Group's compliance, operational and financial risk assessments as part of the broader ERM programme
- Overseeing the Group's business capability and cyber security programmes
- Overseeing climate risks as part of the ERM programme
- Reviewing and assessing the scope, operation and effectiveness of the internal audit function

Relationship with external auditors

- Reviewing and assessing the relationship
- Reviewing their independence
- Agreeing terms of engagement and remuneration
- Assessing the effectiveness of the external audit process
- Reviewing reports from the external auditors and management relating to the financial statements and internal control systems
- Making recommendations to the Board in respect of the external auditors' appointment, re-appointment or removal

Other

- Supporting the Board in relation to specific matters including oversight of the annual and long-term business plans, dividend and capital structure and capital expenditure

The Committee Chairman reports back at each Board meeting on matters of particular relevance and the Board receives copies of the Committee papers and minutes of meetings.

Committee governance

The Committee keeps the Board informed and advised on matters concerning the Group's financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, internal audit and the external auditor.

The Group follows UK corporate governance practices, as allowed by the Nasdaq Rules for FPIs. In accordance with the UKCGC, the Committee is comprised of four NEDs in 2021, each of whom the Board has deemed to be independent. The Board is satisfied that each member of the Committee has competence relevant to the fast moving consumer goods sector, in which the Group operates.

In accordance with SEC Rules, as applicable to FPIs, the Group's Audit Committee must fulfil the independence requirements set out in SEC Rule 10-3A. The Board has determined that the Audit Committee satisfies these requirements and that all members may each be regarded as an Audit Committee financial expert, as defined in Item 16A of Form 20-F. It was further determined that no Audit Committee member had participated in the preparation of the financial statements of the Company or any of its subsidiaries.

Matters considered by the Audit Committee during 2021

The Committee met nine times during the year. Reports from the internal and external auditors were presented as standing agenda items, along with reports from senior management on the following topics in the Committee's remit:

- Accounting and reporting matters
- Legal matters
- Ethics and compliance matters, including whistleblowing and CoC breaches
- Business continuity management and cyber security
- ERM
- Capital projects, including review of sustainability metrics
- Tax and Treasury matters
- Climate risk disclosures

The Committee's interactions with the internal audit function and the external auditor during the year are discussed in more detail later in this report. A summary of key matters considered by the Audit Committee in 2021, in addition to standing items, is set out in table 1 on page 88.

Financial reporting, significant financial issues and material judgements

As a result of the acquisition of CCL and COVID-19, the Committee met regularly with management to understand and assess the key accounting impacts and considerations for the Group.

The Committee met with management prior to each market announcement to consider the significant accounting judgements and estimates made, and their appropriateness. Details regarding the significant reporting matters identified and the related Committee considerations, is set out in table 2 on page 89.

For the remaining matters, the Committee agreed with management that the appropriate accounting considerations had been given and the impact of each item was not material to the Group's financial statements.

*See our Viability statement on **page 48***

Audit Committee report

CONTINUED

Table 1

Matters considered by the Audit Committee during 2021

Meeting date	Key matters considered in addition to standing agenda items[A]
February 2021	– 2020 preliminary Q4 and full year results, including significant estimates and judgements – COVID-19 Accounting considerations (ECL's, Inventory Loss Provisions, Share-Based Payments Awards) – Pay for performance – IAS 36 impairment review – Tax matters
March 2021	– 2020 Integrated Report, including viability and going concern statements, accounting policies and related significant judgements and estimates, segmental reporting, hedging activities, post-employment benefits – Preparation activities for proposed acquisition of CCL – Re-appointment of the external auditor – Sarbanes-Oxley Act (SOX) section 404 (s404) compliance and impact of COVID-19 on internal control environment – 2021 Internal audit plan – Treasury matters
May 2021 (two meetings)	– 2021 Q1 Trading update and capital markets day – CCL acquisition – COVID-19 impact – Q1 Treasury update – Chart of Authority impacts as a result of CCL acquisition
	– Accounting considerations in advance of year-end audit including acquisition of CCL – Business capability and cyber security update – Capital allocation and expenditure – 2021 Internal audit plan – Tax matters – External audit process and procedures
July 2021	– Purchase Price Accounting in relation to API – API SOX readiness – 2021 combined internal audit and resource plan including API – API people integration – Proposal to transfer listing from NYSE to Nasdaq – Insurance and Risk – Update to treasury investment policy – Committee Evaluation
September 2021	– 2021 Half year report including going concern – Disclosure controls and procedures – Pay for performance – Restructuring activities – Segmental reporting – Tax matters
October 2021	– API Integration including updates on SOX Gap Assessment and integration of internal audit team – Cyber ransomware handbook – Group risk appetite framework – Half year COC report
November 2021	– Q3 Trading update and FY21 Dividend declaration
December 2021	– Purchase Price Accounting in relation to API – IAS 36 impairment review – Overview of FY21 Sustainability reporting and assurance – Operational technology and cyber security – Preliminary 2022 internal audit plan and budget

(A) During February and March 2022, the Committee discussed matters regarding the year ended 31 December 2021, which included:
- Reviewing the 2021 preliminary Q4 and full year results and the 2021 Integrated Report, including its significant estimates and judgements, accounting policies, viability and going concern statements
- Advising the Board on whether, in the Committee's opinion, the 2021 Integrated Report is fair, balanced and understandable
- Independent auditor's report on the 2021 full year results
- Approval of this Audit Committee report

Audit Committee assessment of the 2021 Integrated Report

The Committee undertook a review of a developed draft of the 2021 Integrated Report and provided its feedback, which was applied.

The Committee considered whether the Group's position, strategic approach and performance during the year were accurately and consistently portrayed throughout the 2021 Integrated Report. As part of its review, the Committee referred to the management reports it had received and considered during the year, together with the findings and judgements of the internal and external auditors.

The estimates and judgements made on the significant financial reporting matters regarding financial statements are summarised in table 2 on page 89. The Committee reviewed these in depth, along with management's assessment of the Group as a going concern and the statement of long-term viability contained in the Strategic Report. The Committee concluded that they are appropriate and acceptable in light of the risks facing the business and all significant matters brought to the Committee's attention during the year. The 2021 Integrated Report is, in the opinion of the Committee, fair, balanced and understandable and provides the information necessary for shareholders to assess CCEP's performance, business model and strategy.

Audit Committee report

CONTINUED

Table 2

Significant reporting matters in relation to financial statements considered by the Audit Committee during 2021

Accounting area	Key financial impacts	Audit Committee considerations
Business combination	Total consideration: €5.8 billion Intangible assets: €4.3 billion Goodwill: €2.1 billion	The Group completed the acquisition of Coca-Cola Amatil (CCL) on 10 May 2021. The Group has engaged a third party specialist firm to support the required valuation work and significant judgments and estimates have been used to allocate the correct values to the acquired assets and liabilities. The valuation effort has been a large undertaking and the Committee has received and reviewed regular progress updates from management throughout the year. The Committee noted that amounts recorded as at 31 December 2021 are still provisional and will be finalised no later than 9 May 2022.
Deductions from revenue and sales incentives	Total cost of customer marketing programmes in 2021: €4.1 billion Accrual at 31 December 2021: €1.2 billion	The Group participates in various programmes and arrangements with customers designed to increase the sale of products. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. For customer incentives that must be earned, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts earned. Under IFRS 15, these types of variable consideration are deducted from revenue. There are significant estimates used at each reporting date to ensure an accurate deduction from revenue has been recorded. Actual amounts ultimately paid may be different from these estimates. At each reporting date, the Committee received information regarding the amount of customer marketing spend of the Group along with period end accruals. The Committee also discussed and challenged management on key judgements and estimates applied during the period with a specific focus on the impact of COVID-19 on customer activities and performance.
Tax accounting and reporting	2021 book tax expense: €394 million 2021 cash taxes: €306 million 2021 effective tax rate: 28.5%	The Group evaluated a number of tax matters during the year, including legislative developments across tax jurisdictions, tax accounting related to the acquisition of CCL, risks related to direct and indirect tax provisions in all jurisdictions, the deferred tax inventory and potential transfer pricing exposure. Throughout the year, the Committee received information from management on the critical aspects of tax matters affecting the Group, considered the information received, and gained an understanding of the level of risk involved with each significant conclusion. The Committee also considered and provided input on the Group's disclosures regarding tax matters.
Asset impairment analysis	Franchise intangible assets with indefinite lives: €12 billion Goodwill: €4.6 billion	The Group performs an annual impairment test of goodwill and intangible assets with indefinite lives, or more frequently if impairment indicators are present. The testing is performed at a cash generating unit (CGU) level, which for the Group are based on geography and generally represent the individual territories in which the Group operates. The Committee received information from management on the impairment tests performed, focusing on the most critical assumptions such as the terminal growth rate, the discount rate and operating margin, as well as changes from the prior year. The Committee reviewed and challenged sensitivity analyses provided by management to understand the impact of changes in these critical assumptions. The Committee was satisfied with the assumptions utilised by the Group and also considered and reviewed the Group's disclosures about its impairment testing.
Restructuring accounting	Restructuring cost recorded in 2021: €153 million Restructuring provision at 31 December 2021: €103 million	During 2020 the Group commenced new restructuring initiatives, including the Accelerate Competitiveness programme aimed at reshaping CCEP using technology to improve productivity. These programmes include the closure of a number of sites across Germany and Iberia. The Committee was regularly updated by management on the nature of such initiatives and key assumptions underpinning the related provision in the financial statements. The Committee reviewed the Group's restructuring provision balance as at 31 December 2021 and continued to agree that it does not contain significant uncertainty. The Committee was satisfied with the appropriateness of the restructuring accounting during the year and the disclosures included in the financial statements.

Audit Committee report

CONTINUED

External audit

Effectiveness of the external audit process

The Committee has responsibility and oversight of the Group's relationship with its external auditor, Ernst & Young LLP (EY), and for assessing the effectiveness of the external audit process. EY was appointed as the external auditor in 2016 and the lead audit partner is Sarah Kokot who was appointed following completion of the 2020 Audit. The Committee acknowledges the provisions contained in the UKCGC and the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 in respect of audit tendering. In light of the factors the Committee considers when making recommendations to the Board and based on their performance and knowledge of the business, the Committee believes that it is in the best interests of shareholders to continue to recommend EY as the external auditor and that a competitive tender process should be conducted no later than 2025.

In 2021, the Committee agreed the approach and scope of the audit work to be undertaken by EY for the financial year. It also reviewed EY's terms of engagement and agreed the appropriate level of fees payable in respect of audit and non-audit services.

*See details of the amounts paid to the external auditor in **note 18** to the consolidated financial statements on **page 163***

EY provided the Committee with regular reports on the status of the audit, its assessment of the agreed areas of audit focus and findings, and conclusions to date. In response to the Acquisition and COVID-19, EY had regular discussions with management to identify the potential business and financial risks for CCEP and ensure that correct accounting treatment was adopted in response.

The Committee reviewed the experience and expertise of the audit team, the fulfilment of the agreed audit plan and any variations to it, feedback from the Group's businesses and the contents of the external audit report. The Committee confirmed its satisfaction with the effectiveness of the external auditor.

External auditor independence

The continued independence of the external auditor is important for an effective audit. The Committee has developed and implemented policies that govern the use of the external audit firm for non-audit services and limit the nature of the non-audit work that may be undertaken. The external auditor may, only with pre-approval from the Committee, undertake specific work for which its expertise and knowledge of CCEP are important. It is precluded from undertaking any work that may compromise its independence or is otherwise prohibited by any law or regulation.

The Committee received a statement of independence from EY in March 2022 confirming that, in its professional judgement, it is independent and has complied with the relevant ethical requirements regarding independence in the provision of its services. The report described EY's arrangements to identify, manage and safeguard against conflicts of interest.

The Committee reviewed the scope of the non-audit services proposed by EY during the year, to ensure there was no impairment of judgement or objectivity, and subsequently monitored the non-audit work performed to ensure it remained within the agreed policy guidelines. It also considered the extent of non-audit services provided to the Group. The Committee determined, based on its evaluation, that the external auditor was independent.

Reappointment of the external auditor

The Committee has responsibility for making a recommendation to the Board regarding the reappointment of the external auditor. Based on its continued satisfaction with the audit work performed to date and EY's continued independence, the Committee has recommended to the Board, and the Board has approved, that EY be proposed for reappointment by shareholders as the Group's external auditor at CCEP's 2022 AGM.

Internal audit

The internal audit function provides an independent and objective assessment of the adequacy and effectiveness of the Group's integrated internal control framework, which combines risk management, governance and compliance systems. The internal audit function reports directly to the Audit Committee and comprises approximately 30 full time, professional audit staff based in London, Berlin, Madrid, Sofia and Sydney, with a range of business expertise working across multiple disciplines. The resourcing strategy for the internal audit function was a key focus in the latter part of 2021 driven by the Acquisition and a desire to create an aligned operating model across the Group.

Effectiveness of the internal audit function

At the start of the year, the Committee reviewed the internal audit plan for 2021 and agreed its scope, budget and resource requirements for the year.

Through regular management reports containing key internal audit observations, proposed improvement measures and related timeframes agreed with management, the Committee monitored the effectiveness of the internal audit function against the approved internal audit plan. As the year progressed, amendments were made to incorporate the impact of the Acquisition and also to ensure compatibility of internal audits with prevailing public health guidance in relation to COVID-19 and the continuation from 2020 of remotely conducted audits. The Chief Audit Executive attended the scheduled meetings of the Committee during 2021 to raise any key matters with the Directors.

Internal control and risk management

The Group depends on robust internal controls and an effective risk management framework to successfully deliver its strategy. The Audit Committee is responsible for monitoring the adequacy and effectiveness of the Group's internal control systems, which includes its compliance with relevant sections of the UKCGC and the requirements of SOX, specifically sections 302 and 404, as it applies to US FPIs.

Effectiveness of the internal control and risk management systems

Regular reports were presented to the Committee on the Group's internal audit assessments of the adequacy and effectiveness of CCEP's integrated internal control framework, risk management, governance and compliance functions. The Committee was asked to consider the internal control framework and the remediation of any identified control deficiencies during the year.

The Committee noted the Group excluded CCL from its evaluation of internal control over financial reporting as of 31 December 2021 under the guidelines established by the US Securities & Exchange Commission.

In 2021, management undertook a top down enterprise risk assessment including business units and functions. This included an assessment of the Group's risk appetite across identified enterprise risks, to gauge and promote alignment of risk appetite with CCEP's long range plan. The Committee reviewed the findings, approved changes to the enterprise risk management rankings and concluded that management's approach to risk and to risk appetite was satisfactory.

The Group's material controls were deemed to be designed and operating effectively during the year.

Audit Committee report

CONTINUED

Raising concerns

In each of our territories, we have established ways for our people to raise concerns in relation to possible wrongdoing in financial reporting, suspected misconduct, or other potential breaches of our CoC. These include options to contact a line manager, or people and culture representative, in confidence, or to share information through our dedicated, independent and confidential "Speak Up" channels. The Committee is responsible for reviewing the adequacy and security of these arrangements and ensuring they allow appropriate follow up action. In accordance with our CoC, retaliation against anyone for making a genuine report, or for cooperating in an investigation, is prohibited.

The Committee receives and considers reports from management regarding concerns raised by our people and provides the Board with key information for its consideration as appropriate.

Investigations into potential breaches of our CoC are overseen in each BU by the BU's CoC committee, chaired by the BU's Vice President, Legal. All potential CoC breaches and corrective actions are overseen by the Group CoC committee, which is a sub committee of the Group compliance and risk committee and is chaired by the Chief Compliance Officer. The Group CoC committee also:

- Ensures that all reported breaches have been recorded, investigated in a timely manner and a conclusion reached
- Evaluates trends
- Ensures consistent application of the CoC across CCEP

As required under the Spanish Criminal Code, the Iberia BU has an Ethics Committee formed of members of the Iberia BU leadership team. It is responsible for any ethics and compliance activities, including overseeing the local crime prevention model. It reports to the board of the Iberia BU and the Chief Compliance Officer.

There were no whistleblowing matters that required Committee or Board attention in 2021.

Garry Watts, Chairman of the Audit Committee
15 March 2022

Statement from the Remuneration Committee Chairman

"Remuneration decisions during 2021 recognise the strong underlying performance of the business in the context of the successful acquisition of CCL and ongoing impact of COVID-19."

Christine Cross, Chairman of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for CCEP (the Group) for the year ended 31 December 2021. This includes a summary of our remuneration policy (page 94) which was approved by over 99% of our shareholders at the 2020 AGM and our Annual report on remuneration (ARR), which sets out how we implemented the policy during 2021 and how we intend to do so in 2022. This will be subject to an advisory vote at our 2022 AGM.

Continued resilience in the face of COVID-19 and the ongoing successful integration of Coca-Cola Amatil (CCL)

2021 has again been a remarkable year for CCEP. While continuing to navigate the COVID-19 pandemic, our business has demonstrated great resilience and an ability to operate with agility in a rapidly changing environment, while also completing in May 2021 the acquisition of CCL and becoming Coca-Cola Europacific Partners – solidify our position as the largest Coca-Cola bottler by revenue and creating a platform for accelerated growth and returns.

Throughout this we have continued to prioritise the wellbeing and safety of our people and the continuity of service to our customers. To build on the engagement of our people, we have introduced platforms across our geographies to enable them to connect with our leadership. We again implemented salary increases for the vast majority of our employees in 2021. Incentive schemes for front line workers remained in place and continued to pay out.

In addition, to recognise the continued engagement and commitment of our people during these challenging times, in December 2021 we made a one-off extraordinary COVID-19 recognition payment to three quarters of our employees across the business. In our developed markets, the value of this payment was c.€500 per employee. Senior levels of management did not receive this payment, but continued to be recognised through the strong performance of the 2021 Annual Bonus plan.

In respect of business performance, despite the ongoing impact of COVID-19 we delivered resilient and strong performance, which is reflected in our financial and sustainability performance indicators.

*See our Performance indicators on **pages 2–3***

As highlighted by our CEO in this report, CCEP's performance in 2021 demonstrated solid top line recovery, value share gains, operating margin expansion and remarkable free cash flow generation, solidifying our FY21 position as the largest FMCG value creator. In 2021, we created over €13 billion in value for our retail customers, while continuing to make progress on our ambition to reach net zero emissions by 2040, reinforced by the sustainability metric introduced into our Long-term Incentive Plan in 2020.

Remuneration outcomes for 2021

Annual Bonus

Following the completion of the acquisition of CCL in May, the Committee considered it appropriate that the incentive targets for the annual bonus should be reflective of the ambitions of the combined business. This ensured that management were incentivised on delivering performance for the overall Group for the remainder of the year. The annual performance targets were therefore adjusted to reflect the annual business plan of the combined business and were set in a manner so that the revised targets were no easier or harder to achieve than the original targets set.

The strong overall business performance outlined above has been reflected through the annual bonus with performance against all three financial metrics being above target. Comparable operating profit and revenue increased year on year by 49% and 30% respectively and the maximum target for Operating Free Cash flow was exceeded. This has resulted in an overall Business Performance Factor (BPF) of 168% of target being achieved. The strong business performance is also a reflection of the exceptional leadership of Damian Gammell throughout 2021 which resulted in a maximum Individual Performance Factor (IPF) of 1.2x being awarded to him. The final bonus payment to the CEO was 84% of maximum. Further details are provided on pages 96–97 of the ARR.

2019 Long-Term Incentive Plan

The 2019 LTIP award, granted in March 2019, was subject to EPS and ROIC performance targets over the three year period to 31 December 2021. Around 240 senior executives and management participated in the scheme, including the CEO.

Based on the performance delivered by the business in 2019 prior to the impact of COVID-19 in 2020, the award was on track to vest. However, due to the effects of the global pandemic the original stretching performance targets could no longer be met over the full three year period and the formulaic result was zero vesting.

For the Remuneration Committee, a critical objective continues to be to ensure that remuneration outcomes for our people continue to reflect our underlying philosophy of delivering outcomes which align with business performance (in the context of COVID-19) and appropriately reflect the experiences of shareholders and wider stakeholders, while also continuing to act as an incentive to engage our people to deliver the best possible results.

Statement from the Remuneration Committee Chairman

CONTINUED

All of our incentive schemes utilise stretching performance targets, set at the start of the relevant period and are designed to drive performance in the context of prevailing expectations for the business. At the same time, in line with best practice, our schemes all include discretionary provisions which allow the Committee to adjust the formulaic result to ensure that the outcome delivered to participants is a fair and appropriate reflection of performance over the period.

The Committee has used these discretionary provisions to reduce incentive outcomes below the formulaic result in two of the four financial years since CCEP's listing, and to increase incentive outcomes only once (under the 2018 LTIP, as reported last year, to fairly reward performance through the global pandemic).

In respect of the 2019 LTIP, the Committee has again exercised discretion to ensure the outcome provided a fairer reflection of performance delivered. This required an upward adjustment to the formulaic outcomes. Given the strong overall performance during the performance period and the unanticipated impact of the pandemic being largely outside management's control, and following a consistent approach to assessing performance in the prior LTIP performance period, the Committee decided to undertake a holistic assessment of overall performance over the three year period to determine an appropriate vesting level for all participants. The Committee took into account a wide range of performance reference points including financial performance, returns to shareholders, the stakeholder experience, and our sustainability achievements (as disclosed in detail on page 99 of the ARR). Taking into account the overall performance of the business over the three year performance period, and the growth and delivery of the business as we enter 2022 including share price performance and the delivery of a record dividend over the period, the Committee exercised discretion to determine a final vesting level below target of 45% of maximum. The Committee concluded that this fairly reflected overall performance over the three year period and recognised the challenges to performance presented by the global pandemic in 2020. This outcome was applied consistently to all 240 participants, including the CEO.

While the Committee believes this is the right thing to do in respect of the participants of these incentive programmes, we recognise it is relatively unusual and have therefore set out our thinking in detail on pages 98–99 of the ARR. This fulsome disclosure also reflects the feedback we received from shareholders and proxy advisors we consulted in 2021 on the principle of applying discretion to these incentive outcomes.

Amatil acquisition

As a result of the acquisition of CCL, during 2021 the Committee made a number of adjustments to our incentive awards:

2020-22 Long-Term Incentive Plan (LTIP): revised financial targets were set following the acquisition of CCL to be aligned with the long-term business plan for the combined business and to take into account external forecasts and changes to the wider macroeconomic environment since the targets were set. Further details are provided on page 100 of the ARR.

2021-23 LTIP: awards were delayed from March until September 2021 to enable targets to be set for the combined business. Targets were set at stretching levels and on the same basis as in prior years, taking into account both our long-term plan and external forecasts.

Implementation of remuneration policy in 2022

Despite the continuing challenges of COVID-19 we consider that our overall remuneration framework remains fit for purpose and will implement our remuneration policy broadly unchanged for 2022 (see page 105 for further details), with appropriate integration for our colleagues across our Australia, Pacific and Indonesia (API) business.

The Committee has approved a 3.25% salary increase for Damian Gammell, effective 1 April 2022, in line with the merit increase for the wider UK workforce.

The structure of the 2022 annual bonus will be unchanged from last year, with the business performance element being based on stretching performance targets for operating profit, revenue, and operating cash flow. For Damian Gammell, his individual element will be assessed against a number of areas of focus which are aligned to the key longer-term objectives of the business, which include: Platform for Growth; Future-ready Culture; Green and Stakeholder Focused Future; and API Integration. See page 105 of the ARR for further detail.

The 2022 LTIP award will continue to be based on a mix of EPS, ROIC, and CO_2 reduction, unchanged from last year. Given the significant market uncertainty caused by the current geopolitical situation, the Committee determined that it would be appropriate to delay setting the targets for this award until later in the year. It is the current intention that the targets will be confirmed within the next six months and disclosed at that point (as well as in next year's remuneration report).

Looking ahead

At our 2023 AGM we will be seeking shareholder support for our next Remuneration Policy. I look forward to engaging with our major shareholders on our proposals during the course of this year.

We recognise that the circumstances of the CCL acquisition and the global pandemic has again resulted in a number of important decisions in respect of our incentives this year and we therefore again will proactively engage with major shareholders in advance of the AGM. We believe the decisions are fair and the right ones for both management and shareholders but always welcome feedback and hope we can rely on your support at our forthcoming AGM.

Christine Cross, Chairman of the Remuneration Committee
15 March 2022

Overview of remuneration policy

Governance framework

Our remuneration policy was approved by over 99% of our shareholders and is based on the following principles:

Key principle	Application to policy	Current implementation
Focused on delivering our business strategy	Annual bonus and LTIP measures aligned to the KPIs of the business	**Annual bonus metrics**: Operating profit 50%; Revenue 30%; Operating free cash flow 20% **LTIP metrics**: EPS 42.5%; ROIC 42.5%; CO_2e 15% See ARR for definitions
Simple, transparent and aligning the interests of management and shareholders	– Only two simple incentive plans operated – Strong focus on pay for performance – Majority of remuneration package delivered in shares – Significant shareholding requirement of three times salary – CEO pension aligned to wider workforce	**CEO pay mix linked to performance at target**: 22% Fixed pay; 29% Annual bonus; 49% LTIP
Able to be cascaded through the organisation and applicable to the wider workforce	The same remuneration framework is applied to all members of the ELT (but with lower incentive levels)	Fixed pay + Annual bonus + LTIP
Variable remuneration should be performance related against stretching targets	Targets are set at stretching levels in the context of the business plan and external forecasts	– Target performance linked to business plan – Maximum payout requires performance significantly above plan

Summary of remuneration policy table

Fixed pay

Key features

Base salary
Annual increases will normally take into account business performance and increases awarded to the general workforce

Benefits
A range of benefits may be provided in line with market practice

Pension
- Can participate in the UK pension plan or receive a cash allowance on the same basis as all other employees
- Maximum employer contribution is £30k

Link to strategy

Supports recruitment and retention of Executive Directors of the calibre required for the long-term success of the business

Annual bonus

Key features
- Target bonus opportunity is 150% of salary
- Bonus calculated by multiplying the target bonus by a Business Performance Factor (BPF) (0-200%) and an Individual Performance Factor (IPF) (0-120%)
- Business and individual performance targets are set in the context of the strategic plan
- Malus and clawback provisions may apply to awards
- Discretion to adjust the formulaic outcome up or down taking into account all relevant factors

Link to strategy
- Incentivises delivery of the business plan on an annual basis
- Rewards performance against key indicators which are critical to the delivery of the strategy

LTIP

Key features
- Based on performance measures aligned to the strategic plan and measured over at least three financial years
- Target LTIP award is 250% of salary (500% of salary maximum)
- Malus and clawback provisions may apply to awards
- Two year holding period applied after vesting
- Discretion to adjust the formulaic vesting outcome up or down taking into account all relevant factors

Link to strategy
- Focused on delivery of Group performance over the long term
- Delivered in shares to provide alignment with shareholders' interests

*A full copy of the Remuneration policy can be found on **pages 89–96** of the 2019 integrated report, in the reports & results section of the investor section of our website at **www.cocacolaep.com/investors***

Remuneration at a glance

Overview of 2021 remuneration performance

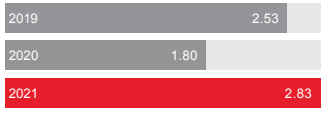
CCEP share price (US$)

Annual bonus KPIs

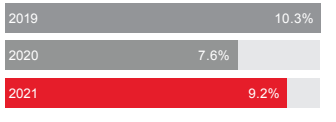
Bonus pay out = 84% of maximum (including IPF of 1.20x)

Reported long-term KPIs

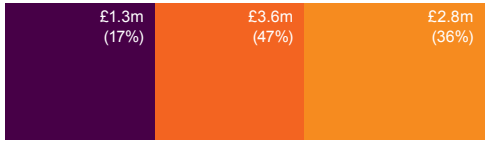
Comparable EPS



ROIC



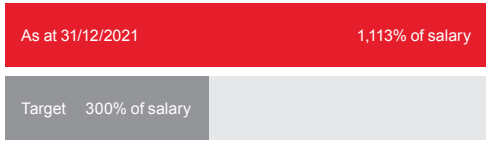
2021 CEO single figure



- Fixed pay
- Annual bonus
- LTIP

2021 Total value
£7.7m

CEO shareholding



- Current shareholding
- Shareholding requirement by 31/12/2022

*Read more in the Annual report on remuneration from **page 96***

Overview of 2022 CEO remuneration framework

Fixed pay + **Annual bonus** + **LTIP**

Base salary

3.25% increase for 2022

£1.22m

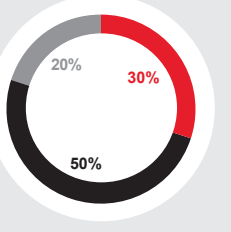
Benefits

- Car allowance
- Private medical
- School fees
- Financial planning

Pension

Cash in lieu aligned to wider workforce

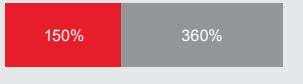
£26k



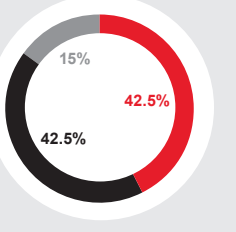
- Revenue
- Operating profit
- Operating free cash flow

0x–1.2x

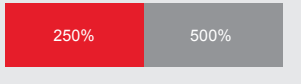
Individual multiplier



- Target
- Maximum



- ROIC
- EPS
- Reduction in CO_2e



- Target
- Maximum

*Read more in the Annual report on remuneration from **page 105***

All references to revenue, operating profit, operating free cash flow, EPS and ROIC targets refer to those measures that are defined within the ARR

Annual report on remuneration

Remuneration outcomes for 2021

The following pages set out details of the remuneration received by Directors for the financial year ending 31 December 2021. Prior year figures have also been shown. Audited sections of the report have been identified.

The Directors' remuneration in 2021 was awarded in line with the Remuneration Policy which was approved by shareholders at the AGM in May 2020.

Single figure table for Executive Directors (audited)

Individual	Year	Salary (£000)	Taxable benefits (£000)	Pension (£000)	Fixed pay (£000)	Annual bonus (£000)	Long-term incentives (£000)	Variable remuneration (£000)	Total remuneration (£000)
Damian Gammell	2021	1,179	134	26	1,339	3,567	2,766(A)	6,333	7,672
	2020	1,174	134	26	1,334	1,490	2,689(B)	4,179	5,513(C)

(A) Value based on share price and exchange rate on vest date of 1 March 2022 of $48.47 (£36.39) and includes £211,000 cash payment in respect of dividend equivalents to be paid on the vested Shares. Around €43,000 of the vest value is attributable to share price appreciation.
(B) Restated from £2,242,000 in last year's single figure table to reflect actual share price on vesting date of $54.31 (£39.01) on 12 March 2021 (as 13 March 2021 was a non-trading day) applied to 64,970 vested Shares and £155,000 cash payment in respect of dividend equivalents paid on the vested Shares.
(C) Restated in line with the actual vest date value of long-term incentives, as explained in (B) above.

Notes to the single figure table for Executive Directors (audited)

Base salary

Damian Gammell did not receive a salary increase in 2021 and his base salary remained at £1,178,787. The average increase provided to the wider UK workforce was 3.2%.

Taxable benefits

During the year, Damian Gammell received the following main benefits: car allowance (£14,000), financial planning allowance (£10,000), schooling allowance (£75,000 net) and family private medical coverage (£8,000).

Pension

The pension provisions that apply to Damian Gammell are aligned to all other GB employees. Damian Gammell elected to receive a cash allowance in lieu of participation in the pension scheme. This equates to a payment of £30,000 from CCEP inclusive of employer National Insurance contributions (i.e. the actual benefit received by Damian is less than £30,000 per year).

Annual bonus

Overview of CCEP's annual bonus design

The 2021 CCEP annual bonus plan was designed to incentivise the delivery of the business strategy and comprised the following elements:

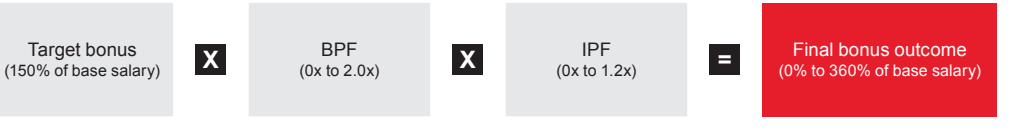
Business Performance Factor (BPF) – provides alignment with our core objectives to deliver strong financial performance against our main financial performance indicators of operating profit (50%), revenue (30%) and operating free cash flow (20%).

The 2021 annual bonus targets were adjusted after the acquisition of CCL to reflect the annual business plan of the combined business. The Committee is satisfied that the revised targets were no easier or harder to achieve than the original targets set.

*Refer to **page 105** for definitions*

Individual Performance Factor (IPF) – individual objectives were also set for Damian Gammell focused on a number of areas which are aligned to key longer-term strategic objectives of the business.

In line with the remuneration policy, Damian Gammell had a target bonus opportunity of 150% of salary. Actual payments range from zero to a maximum of 360% of salary depending on the extent to which business and individual performance measures were achieved.



Annual report on remuneration

CONTINUED

2021 annual bonus outcome – BPF

Financial performance in 2021 has been strong, with performance for all three financial measures being above target.

		Performance targets			Performance outcomes	
Measure	Weighting	Threshold (0.25x multiplier)	Target (1x multiplier)	Maximum (2x multiplier)	Actual outcome	Multiplier achieved
Operating profit	50%	€1,567m	€1,803m	€1,983m	€1,926m	1.68x
Revenue	30%	€13,913m	€14,685m	€15,200m	€14,924m	1.47x
Operating free cash flow	20%	€1,386m	€1,595m	€1,754m	€1,953m	2.00x
Total	100%					1.68x

2021 annual bonus outcome – IPF

To determine an appropriate IPF, the Chairman of the Board assesses Damian Gammell's performance against the individual performance objectives that were set at the start of the year. The outcome is then discussed with and recommended by the Committee for final approval by the Board.

Damian once again provided exceptional leadership of the business during 2021 within a very challenging external environment. He delivered strongly against his individual objectives, outlined below, and the Board determined that his IPF should be set at 1.2x for the year.

Further details of some of the specific objectives achieved are included in the table below:

Area of focus	Performance delivered
Continue to build a Platform for growth for CCEP	– Acquisition of CCL completed in line with expectations, with day one readiness plan and second half business plan – Three year strategic plan for the combined business developed and implemented – NARTD value share growth to ahead of FY 2019 levels – Topo Chico launched in six markets, with top two value share for hard seltzer brands in Europe – Implementation of hot beverages strategy and long-range plan for Costa Coffee, active in four markets
Continue to develop our Future-ready culture	– Engagement and well-being of workforce protected with improved engagement and wellbeing scores delivered above benchmark – Achieved senior management gender ratio for 2021 ahead of target to reach 2025 goal – Operating framework amended to incorporate our API markets, country operating units and alignment of functions – New COVID-19 hybrid framework established in each country in line with recommendations of local authorities. Clear decisions and guidelines communicated CCEP-wide for travel and ways of working, including flexible working transition plans
Stakeholders and Green future	– Improvement in customer engagement across externally benchmarked overall, sustainability and e-commerce measures – Delivered 53% rPET content, significantly outperforming the 50% target – 38.9% GHG reduction across our value chain since 2010 and 12.4% since 2019
Our Digital future	– Roll out of our customer portal, My.CCEP.com completed across Europe, with a record year delivering €1.1 billion in revenue, around 20% of our away from home business – Roll out of BPT plans to replace legacy systems completed – New digital platforms trialled though CCEP Ventures. Our partner StarStock launched an online marketplace in GB, and we launched Wabi, a B2B eco-system platform in Portugal, in partnership with The Coca-Cola Company
Accelerate Competitiveness	– Multi year efficiency savings and combination benefits programme equating to €350 to €395 million in total and remain on track. We have so far delivered approximately 65% of these commitments in line with previously guided timings and values

2021 annual bonus outcome – calculation

Based on the level of performance achieved, as set out above this resulted in a bonus payment to Damian Gammell as follows:

Annual report on remuneration

CONTINUED

Long-term incentives

Awards vesting for performance in respect of 2021

The 2019 LTIP award was subject to EPS and ROIC performance targets measured over the three year performance period from 1 January 2019 to 31 December 2021.

		Performance targets		
Measure	Weighting	Threshold (25% vesting)	Target (100% vesting)	Maximum (200% vesting)
EPS	50%	5.7% p.a.	11.0% p.a.	15.5% p.a.
ROIC	50%	10.9%	12.4%	13.9%

Despite solid performance in 2019 and a strong recovery during 2020 and 2021, the significant impact of COVID-19 has resulted in the threshold targets for the LTIP not being met. In line with good practice, however, the Committee undertook a holistic assessment of performance over the full three year performance period to consider the extent to which any discretion should be exercised in respect of the final vesting level for all LTIP participants, including the CEO.

The factors considered included:

- Overall business performance
- The shareholder experience of the performance period
- The successful acquisition and integration of CCL
- The wider workforce and other stakeholders experience over the performance period
- The continued focus and delivery of our sustainability agenda

Based on this analysis, which is set out in detail below, the Committee considered it appropriate to exercise discretion in respect of the LTIP vesting level to recognise the strong overall performance of the management team over the period, despite the significant challenges being faced as a result of the COVID-19 pandemic which were outside management's control. Taking all these factors into account a below target vesting level of 45% of maximum was determined, which will apply to all participants, including the CEO.

Annual report on remuneration

CONTINUED

The Committee took into account a wide range of factors of performance across the full performance period, which included:

Overall business performance

- Solid EPS and ROIC performance in 2019: pay out tracking at 79% of target vs the original performance targets
- NARTD value share continued to grow over the performance period:

2019 = +110 bps	2020 = +40 bps	2021 = +40 bps

- Largest FMCG value creator in Europe[(A)] – created over €490 million of value in 2021 for our customers (€606 million including in our API markets, and over €1,524 million across the three year performance period), by focusing on core brands, in-market execution and revenue growth management initiatives
- We committed to rebasing our cost base vs prepandemic levels. As a percent of revenue, our comparable operating expenses are lower now (FY21; 25%), not only compared to last year (FY20; 26%), but more importantly compared to 2019 (FY19; 26%)
- Strong free cash flow generation over the period of €3.5 billion ahead of our annual medium term objective of €1 billion per year pre transaction, and €1.25 billion post transaction

(A) NielsenIQ Strategic Planner FY21 Data to 2 January 2022 (based on ES, DE, GB, FR, BE, NL SE, PT & NO).

Shareholder experience

- Strong returns for shareholders: 42% TSR growth over the three year period, which was between median and upper quartile performance vs FMCG peers and out-performed both the FTSE 100 (10%) and Euronext 100 (32%)
- Share price performance: Highest share price in history of company of $62.64 achieved during the last year of the performance period
- Continuity and growth of dividends: FY21 dividend per share of €1.40 (+13.0% vs 2019), and cumulative dividends of €3.49 over the period, maintaining an annualised dividend pay out ratio of approximately 50%
- Significant value delivered to shareholders: Total of over $2.7 billion of value being delivered to shareholders during the three year performance period (€1.6 billion in dividends and €1.1 billion in share buybacks)

Successful acquisition and integration of CCL

- Completed acquisition of CCL in May 2021 to become a truly global bottler and solidify our position as the largest Coca-Cola bottler in the world
- Value creating: provides platform for accelerated growth and returns and is immediately EPS accretive
- Higher free cash flow generation, increasing mid-term annual objective to €1.25 billion per annum (previous target €1 billion)
- Further strengthens our relationship with TCCC and enhances our position for continued future expansion
- API integration progressing very well; reorienting the portfolio to maximise system value creation to enable greater focus on NARTD, RTD alcohol & Spirits

CCEP's focus on long-term value creation and innovation positions sustainability at the heart of everything we do

Over the 2019 LTIP performance period we delivered:

- Reduction in lost time incident rate:

2018 = 1.14	2021 = 1.11

- 38.9% GHG reduction across our value chain since 2010 and 12.4% since 2019
- Reduction in water used ratio 2018-2021 from 1.61 to 1.58 (Europe)
- 53% of the PET used to make our PET bottles in 2021 was rPET (vs 27.6% in 2018), achieving 2023 target two years early

Wider Workforce and other stakeholder experiences

Safety and wellbeing of all our employees: Throughout the pandemic to date, which covers two-thirds of the performance period, our primary focus was on the safety and wellbeing of our colleagues. We provided extensive emotional and mental wellbeing support including a Coronavirus support hub, an expanded Employee Assistance Programme, and a significant mental health first aider programme to provide ongoing support to all employees.

Limited financial impact on all employees:

- Incentive schemes for front line workers continued to operate and pay out during the pandemic
- Revised annual bonus plan for all eligible employees in 2020 to reward for strong recovery from initial impact of COVID-19 in H2 of 2020
- Limited use of Government support schemes
- Salary increases for employees in 2020 and for over 75% of employees in 2021. All LTIP participants received a salary freeze in 2021
- One-off extraordinary COVID-19 recognition payment to around three quarters of our employees
- All-employee share plan developed for launch across our markets in H1 2022

Focus on our communities: In our communities in 2021, more than 58,000 people benefitted in Europe from our community partnerships and programmes across our territories, with 17,102 staff volunteered hours (in Europe) and a total of €10.92 million in community investment (Europe and API). In respect of Chaudfontaine, together with The Coca-Cola Foundation we donated €1 million to support the local community, including €250,000 to the Belgian Red Cross to provide hot meals to flood victims and together with TCCC we ran an on pack marketing campaign via our Chaudfontaine brand which included a €750,000 donation to help rebuild two schools.

Focus on our customers: We have continued to provide support related to COVID-19 across our territories, and we have an unrivalled customer coverage with whom we jointly create value, with more than €1.5 billion added to the FMCG industry since 2019[(A)].

Annual report on remuneration

CONTINUED

Awards granted in 2021

A conditional award of performance share units (PSUs) was granted under the CCEP LTIP to Damian Gammell on 29 September 2021, with a target value of 250% of salary in line with the Remuneration Policy. The performance measures were unchanged from the prior year and continued to align with the long-term strategy – EPS, ROIC and CO_2e reduction. As explained in last year's report, the grant of the 2021 LTIP award was delayed from March until September 2021 to enable long-term EPS/ROIC targets to be set for the combined business, including CCL. Targets were set at stretching levels and on the same basis as in prior years, taking into account both our long-term plan and external forecasts.

Further details are set out below:

Individual	Date of award	Maximum number of Shares under award	Target number of Shares under award[A]	Closing Share price at date of award	Face value	Performance period	Normal vesting date
Damian Gammell	29/09/2021	149,406	74,703	$55.31	$8,263,646	1 Jan 2021 – 31 Dec 2023	15/03/2024

(A) Number of Shares awarded calculated using 10-day average share price to the normal grant date (15 March 2021) of $52.83.

The vesting of awards is subject to the achievement of the following performance targets:

Measure	Definition	Weighting	Vesting level[D] (% of target) 25%	100%	200%
EPS[A]	EPS achieved in the final year of the performance period (FY 2023)	42.5%	€3.04	€3.41	€3.67
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2023)	42.5%	8.3%	9.2%	9.9%
CO_2e reduction[C]	Relative reduction in total value chain GHG emissions since 2020 (gCO_2e/litre)	15%	6.0% per litre	8.0% per litre	10.0% per litre

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales and material non-cash equity accounting adjustments. Should there be share repurchases during the performance period, an adjustment will be made to neutralise for the impact of share repurchases and will be fully disclosed at the time of vesting.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for brand sales and material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire value chain in Europe. The target will be adjusted to include our API markets once work is completed to amalgamate our calculations of GHG emissions across the entire business.
(D) Straight-line vesting between each vesting level (shown).

Any award vesting for the CEO will be subject to a two year holding period.

2020 LTIP award targets

The 2020 LTIP award was granted in March 2020 and has a performance period which covers the three financial years to 31 December 2022. As explained in last year's report, following the acquisition of CCL during 2021, the Committee reviewed the financial targets for this award in the context of the updated long-term business plan for the combined business and to take into account external forecasts and changes to the wider macroeconomic environment since the targets were set. The revised targets for this award are as follows:

Measure	Definition	Weighting	Vesting level[D] (% of target) 25%	100%	200%
EPS[A]	EPS achieved in the final year of the performance period (FY 2022)	42.5%	€2.96	€3.15	€3.34
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2022)	42.5%	8.2%	8.6%	9.1%
CO_2e reduction[C]	Relative reduction in total value chain GHG emissions since 2019 (gCO_2e/litre)	15%	6.0% per litre	8.0% per litre	10.0% per litre

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales and material non-cash equity accounting adjustments. Should there be share repurchases during the performance period, an adjustment will be made to neutralise for the impact of share repurchases and will be fully disclosed at the time of vesting.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for brand sales and material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short term investments.
(C) Target based on entire value chain in Europe.
(D) Straight-line vesting between each vesting level (shown).

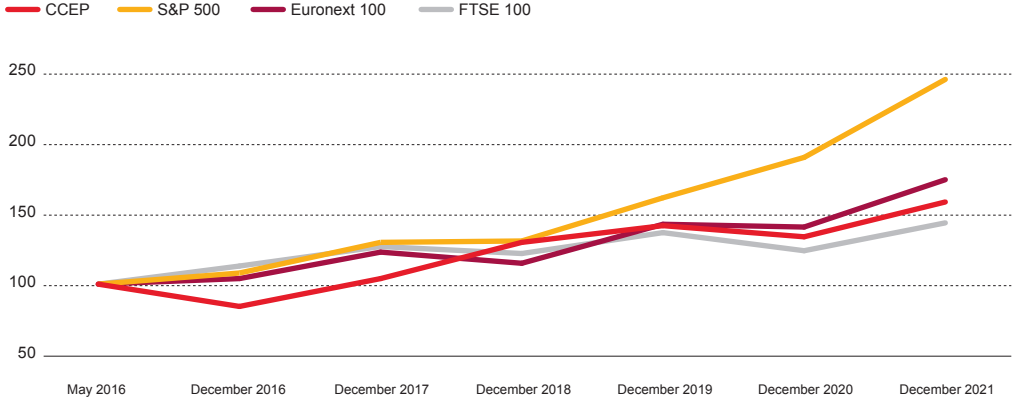
Annual report on remuneration

CONTINUED

Historical TSR performance and CEO remuneration outcomes

The chart below compares the TSR performance of CCEP from Admission up until 31 December 2021 with the TSR of the Euronext 100, the FTSE 100 and the S&P 500. These indices have been chosen as recognised equity market indices of companies of a similar size, complexity and global reach as CCEP.

30 trading day average data: against S&P 500, Euronext 100 and FTSE 100



The following table summarises the historical CEO's single figure of total remuneration and annual bonus pay out as a percentage of the maximum opportunity over this period:

	2016[A] John Brock	2016[A] Damian Gammell	2017 Damian Gammell	2018 Damian Gammell	2019 Damian Gammell	2020 Damian Gammell	2021 Damian Gammell
CEO single figure of remuneration ('000)	$3,890	£27	£3,716	£3,821	£7,839	£5,513[B]	£7,672
Annual bonus pay out (as a % of maximum opportunity)	31.23%	40.6%	60.7%	63.1%	43.7%	35.3%	84.1%
LTI vesting (as a % of maximum opportunity)	N/A	N/A	N/A	N/A	59.0%	36.5%	45.0%

(A) The figures for 2016 are in respect of the period for which each individual served as CEO during the year. John Brock served as CEO from 29 May to 28 December 2016. Damian Gammell served as CEO from 29 December to 31 December 2016.
(B) Restated from last year's single figure to reflect the actual share price on vesting date for the 2018 LTIP.

Annual report on remuneration

CONTINUED

Percentage change in CEO and Director remuneration

The table below shows the percentage change in CEO and Director remuneration from 2020 to 2021 compared to the average percentage change in remuneration for all employees of the Parent Company, in line with the revised reporting regulations.

	2021			2020		
Comparator	Base salary/fee	Taxable benefits[F]	Annual bonus	Base salary/fee	Taxable benefits[F]	Annual bonus
CEO	0.4%[G]	0.0%	139.4%	2.0%	5.5%	(17.5)%
All employees	1.7%	1.1%	139.9%	2.7%	0.2%	(21.9)%
Other Directors						
Sol Daurella	0.0%	0.0%	n/a	0.5%	0.0%	n/a
Manolo Arroyo[A]	n/a	n/a	n/a	n/a	n/a	n/a
Jan Bennink	0.0%	100.0%	n/a	0.0%	(66.7%)	n/a
John Bryant[B]	n/a	n/a	n/a	n/a	n/a	n/a
José Ignacio Comenge Sánchez-Real	0.0%	300.0%	n/a	1.0%	(80.0%)	n/a
Christine Cross	0.0%	400.0%	n/a	(1.5%)	(75.0%)	n/a
Irial Finan[C]	(60.2%)	(100.0%)	n/a	0.0%	(62.5%)	n/a
Nathalie Gaveau	0.0%	0.0%	n/a	0.0%	(66.7%)	n/a
Álvaro Gómez-Trénor Aguilar	0.0%	100.0%	n/a	0.0%	(71.4%)	n/a
Thomas H. Johnson	0.0%	n/a	n/a	3.5%	(100.0%)	n/a
Dagmar Kollmann	0.0%	300.0%	n/a	71.2%	(83.3%)	n/a
Alfonso Líbano Daurella	0.0%	n/a	n/a	1.0%	(100.0%)	n/a
Mark Price	0.0%	0.0%	n/a	71.7%	(50.0%)	n/a
Mario Rotllant Solá	0.0%	300.0%	n/a	1.0%	(80.0%)	n/a
Brian Smith[D]	109.1%	n/a	n/a	n/a	n/a	n/a
Dessi Temperley[E]	69.0%	n/a	n/a	n/a	n/a	n/a
Garry Watts	0.0%	n/a	n/a	0.8%	(100.0%)	n/a

(A) Appointed to the Board on 26 May 2021.
(B) Appointed to the Board on 1 January 2021.
(C) Resigned from the Board on 26 May 2021.
(D) Appointed to the Board on 9 July 2020.
(E) Appointed to the Board on 27 May 2020.
(F) Reduction and increase in taxable benefits in 2020 and 2021, respectively, reflect the impact of travel restrictions.
(G) No increase was applied for 2021, but small increase reflects the 2020 salary increase applying only from 1 April 2020.

Relative importance of spend on pay

The table below shows a summary of distributions to shareholders by way of dividends and share buyback as well as total employee expenditure for 2020 and 2021, along with the percentage change of each.

	2021	2020	% change
Total employee expenditure	€2,016m	€1,655m	21.8%
Dividends	€638m	€386m	65.3%
Share buybacks[A]	–	€129m	(100%)

(A) Decrease in share buybacks reflects suspension of programme in March 2020 to keep CCEP well positioned and preserve maximum flexibility during the COVID-19 pandemic.

CEO pay ratio

The table below shows the ratio of the CEO's single figure of remuneration for 2021 to the 25th percentile, median and 75th percentile total remuneration of full time equivalent GB employees. The ratio is heavily influenced by the fact that the CEO participates in the LTIP. If the LTIP is excluded from the calculation then the median ratio would be 103:1. The main reason for the increase in the ratio from 2020 to 2021 is the CEO's higher bonus and LTIP value in 2021, and conversely for the change from 2019 to 2020.

Year	Method	25th percentile ratio[A]	Median ratio[B]	75th percentile ratio[C]
2021	Option B	221:1	162:1	92:1
2020[D]		175:1	105:1	83:1
2019		250:1	169:1	111:1

(A) The individual used in this calculation received total pay and benefits of £35,000 (of which £31,000 was salary).
(B) The individual used in this calculation received total pay and benefits of £47,000 (of which £37,000 was salary).
(C) The individual used in this calculation received total pay and benefits of £83,000 (of which £49,000 was salary).
(D) Figures updated to reflect final LTIP vesting value as disclosed in the single figure table.

The Committee has chosen Option B (hourly gender pay gap information as at 5 April 2021) to determine the ratios, as that data was already available and provides a clear methodology to calculate full time equivalent earnings. No component of pay and benefits has been omitted for the purposes of the calculations.

The Committee is satisfied that the individuals whose remuneration is used in the above calculations are reasonably representative of employees at the three percentile points, having also reviewed the remuneration for individuals immediately above and below each of these points and noted that the spread of ratios was acceptable. No adjustments were made to the three reference points selected.

Annual report on remuneration

CONTINUED

The Committee believes the median ratio is consistent with the pay and reward policies for CCEP's GB employees. CCEP is committed to offering an attractive package for all our employees. Salaries are set with reference to factors such as skills, experience and performance of the individual, as well as market competitiveness. All employees receive a wide range of employee benefits and a large number are eligible for an annual bonus. Our LTIP is designed to link remuneration to the delivery of long-term strategic objectives and therefore participation is typically offered to senior employees who have the ability to influence these outcomes. The 25th percentile, median and 75th percentile employees identified in the above calculation do not participate in the LTIP. As the CEO participates in the LTIP, the ratio will be influenced by vesting outcomes and will likely vary year on year.

Payments to past Directors (audited)

There were no payments to past Directors during the year.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Statement of Directors' share ownership and share interests (audited)

Interests of the CEO

The CEO is required to hold 300% of his base salary in Shares. The guideline is expected to be met within five years of appointment. Until the guideline is met, 50% of any vested Shares from incentive awards (after tax) must be retained. The guideline continues to apply for one year following termination of employment.

Share ownership requirements and the number of Shares held by Damian Gammell are set out in the table below.

	Interests in Shares at 31 December 2021	Interests in share incentive schemes subject to performance conditions at 31 December 2021[A][B][C]	Interests in share option schemes[A][B]	Share ownership requirement as a % of salary	Share ownership as a % of salary achieved at 31 December 2021[D]	Shareholding guideline met
Damian Gammell[E]	317,346	461,678	324,643	300%	1,113%	✓

(A) For further details of these interests, please refer to footnote (C) of the outstanding awards table below.
(B) Do not count towards achievement of the share ownership guideline.
(C) The CEO has no interests in share incentive schemes not subject to performance conditions at 31 December 2021.
(D) The Remuneration Committee has simplified our share ownership policy to calculate shareholdings based on the prevailing share price and salary at 31 December 2021.
(E) Damian Gammell acquired a further 20,000 shares on 24 February 2022, and 70,204 shares vested under the 2019 LTIP on 1 March 2022.

Details of the CEO's share awards are set out in the table below.

Director and grant date	Form of award	Exercise price	Number of Shares subject to awards at 31 December 2020	Granted during the year	Vested during the year	Exercised during the year	Lapsed during the year	Number of Shares subject to awards at 31 December 2021	End of performance period	Vesting date
Damian Gammell[A]										
12.03.18	PSU[B]	N/A	178,000	–	64,970	N/A	113,030	–	31.12.20	13.03.21
01.03.19	PSU[C][D]	N/A	156,008	–	–	N/A	–	156,008	31.12.21	01.03.22
17.03.20	PSU[C]	N/A	156,264	–	–	N/A	–	156,264	31.12.22	17.03.23
29.09.21	PSU[C]	N/A	–	149,406	–	N/A	–	149,406	31.12.23	15.03.24

(A) In addition, the CEO has 324,643 vested but unexercised options with an expiry date of 5 November 2025 and an exercise price of $39.00. No options were exercised by the CEO during the year.
(B) The performance condition was satisfied at 37% of maximum on 31 December 2020. Award vested on 13 March 2021.
(C) The number of Shares shown is the maximum number of Shares that may vest if the performance targets are met in full.
(D) The 2019 PSU awards vested at 45% of maximum (70,204 shares) on 1 March 2022.

Annual report on remuneration

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Interests of other Directors

The table below gives details of the Share interests of each NED either through direct ownership or connected persons.

	Interests in Shares at 31 December 2021
Sol Daurella[(A)(B)]	32,746,437
Manolo Arroyo	–
Jan Bennink[(D)]	43,850
John Bryant	3,340
José Ignacio Comenge Sánchez-Real[(A)]	7,834,271
Christine Cross	–
Irial Finan[(C)]	–
Nathalie Gaveau	–
Álvaro Gómez-Trénor Aguilar[(A)]	3,140,591
Thomas H. Johnson[(E)]	10,000
Dagmar Kollmann	–
Alfonso Líbano Daurella[(A)]	6,573,282
Mark Price	–
Mario Rotllant Solá	–
Brian Smith	–
Dessi Temperley	–
Garry Watts	10,000

(A) Shares held indirectly through Olive Partners. The number of Shares increased slightly during the year as a result of a reduction in Olive Partners' share capital.
(B) For the purposes of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), Sol Daurella (and her connected persons within the meaning of section 252 of the Companies Act) are deemed to be interested in the shares held by Olive by virtue of their indirect minority interest in Cobega S.A, which indirectly owns 56.373% of Olive.
(C) Resigned from the Board on 26 May 2021. Share interests stated are as at the date of resignation.
(D) Jan Bennink acquired a further 5,940 shares on 2 March 2022.
(E) Thomas H. Johnson acquired 2,000 shares on 10 March 2022, and a further 2,000 shares on 11 March 2022.

Dilution levels

The terms of the Company's share plans set limits on the number of newly issued Shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association, these limits restrict overall dilution under all plans to under 10% of the Company's issued share capital over a 10 year period in relation to the Company's issued share capital, with a further limitation of 5% in any 10 year period on discretionary plans.

Single figure table for NEDs (audited)

The following table sets out the total fees and taxable benefits received by the Chairman and NEDs for the year ended 31 December 2021. Prior year figures are also shown.

	2021 (£'000)				2020 (£'000)			
Individual	Base fee	Chairman/ Committee fees	Taxable benefits[(A)]	Total fees	Base fee	Chairman/ Committee fees	Taxable benefits[(A)]	Total fees
Sol Daurella	564	26	1	591	564	26	1	591
Manolo Arroyo[(B)]	49	15	0	64	–	–	–	–
Jan Bennink	82	46	4	132	82	46	2	130
John Bryant[(C)]	82	31	4	117	–	–	–	–
José Ignacio Comenge Sánchez-Real	82	16	4	102	82	16	1	99
Christine Cross	82	46	5	133	82	46	1	129
Irial Finan[(D)]	33	10	0	43	82	26	3	111
Nathalie Gaveau	82	10	1	93	82	10	1	93
Álvaro Gómez-Trénor Aguilar	82	–	4	86	82	–	2	84
Thomas H. Johnson	113	36	2	151	113	36	–	149
Dagmar Kollmann	82	31	4	117	82	31	1	114
Alfonso Líbano Daurella	82	21	0	103	82	21	–	103
Mark Price	82	21	2	105	82	21	2	105
Mario Rotllant Solá	82	16	4	102	82	16	1	99
Brian Smith[(E)]	82	10	2	94	39	5	–	44
Dessi Temperley[(F)]	82	16	4	102	49	9	–	58
Garry Watts	82	52	4	138	82	52	–	134

(A) Taxable benefits mainly relate to travel and accommodation costs in respect of attendance at Board meetings with fx rates used as at the date of the transaction.
(B) Appointed to the Board on 26 May 2021.
(C) Appointed to the Board on 1 January 2021.
(D) Resigned from the Board on 26 May 2021.
(E) Appointed to the Board on 9 July 2020.
(F) Appointed to the Board on 27 May 2020.

Annual report on remuneration

CONTINUED

Implementation of remuneration policy for 2022

Base salary

Damian Gammell will receive a 3.25% salary increase effective 1 April 2022. This is in line with the merit increase provided to the wider UK workforce of 3.25%.

Individual	2021 salary	2022 salary (effective from 1 April)	% increase
Damian Gammell	£1,178,787	£1,217,098	3.25%

Taxable benefits

No significant changes to the provision of benefits are proposed for 2022. The main benefits for Damian Gammell will continue to include allowances in respect of: a car, financial planning, schooling and private healthcare.

Pension

No changes are proposed in respect of the pension provision for Damian Gammell. He will continue to receive a cash allowance of £30,000 (inclusive of employer National Insurance contributions) in lieu of participation in the pension scheme.

Annual bonus

No changes have been made to the structure of the annual bonus plan for 2022 and the opportunity for Damian Gammell will remain unchanged at 150% of salary for target performance and 360% for maximum performance.

Performance will continue to be assessed against financial and individual performance measures on a multiplicative basis as set out on page 96. The financial measures and relative weightings will also remain unchanged.

Measure	Definition	Weighting
Operating profit	Comparable operating profit on a currency neutral basis	50%
Revenue	Revenue on a currency neutral basis	30%
Operating free cash flow	Comparable operating profit before depreciation and amortisation and adjusting for capital expenditures, restructuring cash expenditures and changes in operating working capital, on a currency neutral basis	20%

In determining the IPF for Damian Gammell for 2022 he will be assessed against a number of areas of focus which are aligned to the key longer-term strategic objectives of the business, which include: Platform for Growth; Future-ready Culture; Green and Stakeholder Focused Future; and API Integration:

Objectives include

- Development of new operating structure for CCEP
- Grow share in sparkling
- Leadership for achievement of our inclusion and diversity goals
- Health & Safety
- Progress on our plan for plastics
- Further development of API integration plans

The actual financial targets are not disclosed prospectively as they are deemed commercially sensitive. We intend to disclose them in next year's ARR. A description of individual performance including specific quantitative measures (where appropriate) will also be disclosed in next year's ARR.

Long-term incentive

Damian Gammell's long-term incentive opportunity for 2022 will be aligned with the limits set out in the remuneration policy. He was granted a target award of 250% of salary on 10 March 2022 and may receive up to two times this target award (163,776 shares) if the maximum performance targets are achieved.

The 2022 LTIP award will continue to be based on a mix of EPS, ROIC, and CO_2 reduction, unchanged from last year. Given the significant market of uncertainty caused by the current geopolitical situation, the committee determined that it would be appropriate to delay setting the targets for this award until later in the year. It is the current intention that the targets will be confirmed within the next six months and disclosed at that point (as well as in next year's renumeration report).

Following the end of the performance period, awards will be subject to an additional two year holding period.

Annual report on remuneration

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Chairman and NED fees

The NED base fee and Chairman fee were increased by 3.25% with effect from 1 April 2022, as outlined below, alongside increases to selected Committee Chairman and membership fees. Fees were last set on 1 April 2019.

Role		Current fees	Fees effective 1 April 2022
Chairman		£564,250	£582,000
NED basic fee		£82,000	£85,000
Additional fee for Senior Independent Director		£30,750	£31,750
Additional fee for Committee Chairman	Audit and Remuneration Committees	£36,000	£37,250
	Affiliated Transaction Committee	£36,000	£36,000
	CSR Committee	£20,500	£36,000
	Nomination Committee	£20,500	£21,250
Additional fee for Committee membership	Audit and Remuneration Committees	£15,500	£16,000
	Affiliated Transaction Committee	£15,500	£15,500
	CSR Committee	£10,250	£15,500
	Nomination and Committee	£10,250	£10,500

The Remuneration Committee

The entire Board determines the terms of the compensation of the CEO and fees for the NEDs and Chairman as well as approving the remuneration policy, all on the Committee's recommendation. The Committee is also responsible for setting the remuneration for each member of the ELT reporting to the CEO.

The Terms of Reference can be found on our website at ***www.cocacolaep.com/about-us/governance/committees***

Remuneration Committee members and attendance

In line with the Shareholders' Agreement, the Committee has five members, as set out on pages 67–71. They are three independent NEDs, one Director nominated by Olive Partners and one Director nominated by ER. The Committee formally met six times during the year, with one additional ad hoc meeting in line with business needs. Attendance is set out in the table on page 80 of the Corporate governance report.

As described in the remuneration policy, the Committee receives an annual report in respect of wider workforce remuneration including pay and reward policies, which informs its decisions on executive pay. The Committee does not engage directly with employees on the issue of executive pay, however, within CCEP, employee groups are regularly consulted about matters affecting employees including our strategy, Company performance, culture and approach to reward, and this feedback informs decisions on people matters and other activities.

Support for the Remuneration Committee

Deloitte was appointed by the Remuneration Committee in 2016 following a selection process. During the year, Deloitte provided the Committee with external advice on executive remuneration. Deloitte is a member of the Remuneration Consultants Group and has voluntarily signed up to the Remuneration Consultants' Code of Conduct relating to executive remuneration consulting in the UK. The Committee is satisfied that the engagement partner and team that provide advice to the Committee do not have connections with CCEP or individual Directors that may impair their independence. During 2021, the wider Deloitte firm also provided CCEP with unrelated tax (including employment tax), digital transformation, access security and consultancy services.

Total fees received by Deloitte in relation to the remuneration advice provided to the Committee during the year amounted to £74,150 based on the required time commitment.

Remuneration Committee key activities

The table below gives an overview of the key agenda items discussed at each meeting of the Committee during 2021:

Meeting date	Key agenda items	
February 2021	– Approval of 2020 annual bonus outcome for the ELT	– Approval of final vesting outcome for 2018 LTIP
March 2021	– Approval of ELT 2021 annual bonus targets, individual objectives and opportunities – Approval of ELT 2021 LTIP opportunities	– Approval of ELT pension arrangements – Review of 2020 Remuneration Report – Annual base salary review for the ELT
May 2021	– Approved principles for 2021 LTIP awards – Review of market remuneration trends – Advisor review	– AGM voting update – Review of remuneration arrangements in respect of the CCL acquisition
July 2021	– Wider workforce review – Review of executive shareholding guidelines – Review of Committee performance evaluation	– Approval of adjustments to 2021 annual bonus targets in respect of CCL acquisition
September 2021	– Approved ELT 2021 LTIP awards and targets	– Approved changes to 2020 LTIP targets in respect of CCL acquisition and COVID-19
October 2021	– Performance update for 2021 annual bonus – Review of ESG remit of the Committee	– Review of outstanding LTIP awards – Approach to shareholder consultation
December 2021	– Review of first draft of the 2021 Remuneration Report – Performance update for 2021 annual bonus	– Base pay design for 2022 – Incentive design for 2022

The Chairman, CEO, CFO, and the Chief People and Culture Officer attended meetings by invitation of the Committee to provide it with additional context or information, except where their own remuneration was discussed.

Annual report on remuneration

CONTINUED

Summary of voting outcomes

The table below shows how shareholders voted in respect of the ARR at the AGM held on 26 May 2021 and the remuneration policy at the AGM held on 27 May 2020:

Resolution	Votes For (%)	Votes Against (%)	Number of votes Withheld
Approval of the ARR	84.96%	15.04%	1,197,127
Approval of the remuneration policy	99.48%	0.52%	56,633

This Directors' Remuneration Report is approved by the Board and signed on its behalf by

Christine Cross, Chairman of the Remuneration Committee
15 March 2022

Directors' report

The Directors present their report, together with the audited consolidated financial statements of the Group, and of the Company, for the year ended 31 December 2021.

This Directors' Report has been prepared in accordance with the applicable disclosure requirements of the following:

- Companies Act
- Listing Rules (LRs) and DTRs
- Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority (with which the Company complies voluntarily)
- Rules promulgated by the US Securities and Exchange Commission

Additional information and disclosures, as required by the Companies Act, LRs and DTRs, are included elsewhere in this Integrated Report and are incorporated into this Directors' Report by reference in table 1.

This Directors' Report, together with the Strategic Report on pages 2-63, represents the management report for the purpose of compliance with DTR 4.1.5R(2) and 4.1.8R.

Directors

Appointment and replacement of Directors

The Articles set out certain rules that govern the appointment and replacement of the Company's Directors. These are summarised as follows:

- A Director may be appointed by either an ordinary resolution of shareholders or by the Board
- Olive Partners and ER may each appoint a specified number of Directors, up to a set maximum, in accordance with their respective equity holding proportions in the Company
- Replacement INEDs must be recommended to the Board by the Nomination Committee
- The Board shall consist of a majority of INEDs
- Directors (other than the initial Chairman, CEO and INEDs) must retire at each AGM, and may, if eligible, offer themselves for re-election
- The minimum number of Directors (disregarding alternate directors) is two

*Read more about the re-election of Directors in the Corporate governance report on **page 80***

Table 1
Information and disclosures included elsewhere in this report

Disclosure	Section of report	Page(s)
Names of Directors during the year	Board of Directors	67–71
Review of performance, financial position and likely future developments	Strategic Report	2–63
Dividends	Business and financial review and Note 17 to the consolidated financial statements	58 and 161–162
Principal risks	Principal risks section of the Strategic Report	42–47
Information on share capital relating to share classes, rights and obligations	Note 17 to the consolidated financial statements, and the Share capital section in Other Group information	161 and 204–206
Financial instruments and financial risk management	Notes 13 and 26 to the consolidated financial statements	149–152 and 175–176
Cash balances and borrowings	Notes 11 and 14 to the consolidated financial statement	148 and 152–155
Significant events after the reporting period	Note 27 to the consolidated financial statements	177
Information on employment of disabled persons	Our people	37–39
Workforce engagement	Our stakeholders and Our people	12–14 and 37–39
Business relationships with suppliers, customers and others	Our stakeholders, Operating with integrity and Action on supply chain	12–14, 40–41 and 35–36
Greenhouse gas emissions	Action on climate	23–26
Responsibility statement	Directors' responsibilities statement	111

Directors' report

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Powers of Directors

The Directors may exercise all powers of the Company, in accordance with, and subject to, the Company's Articles and any applicable legislation.

*Read more about the roles and responsibilities of the board and the main committees of the Board in the following sections: Corporate governance report (**pages 74–81**), Nomination Committee report (**pages 82–85**), Audit Committee report (**pages 86–91**), and Directors' remuneration report (**pages 92–107**)*

Directors' indemnity arrangements

Qualifying third party indemnities were in place throughout 2021, and remain in place as at the date of this Integrated Report. Under these indemnities, the Company has agreed to indemnify the Directors of the Company, to the extent permitted by law, against losses and liabilities that may be incurred in executing the powers and duties of their office.

Amendment of Articles

The Articles may only be amended by a special resolution of the Company's shareholders in accordance with the Companies Act. Certain provisions of the Articles are entrenched and may only be amended or repealed with the prior consent of Olive Partners, ER or a majority of the INEDs (as applicable). In particular, the requirement under the Articles that the Board shall, at all times, contain a majority of INEDs may only be amended or repealed with the prior consent of a majority of the INEDs. The Articles are available at www.cocacolaep.com/about-us/governance.

Political donations

The Group made no political donations or contributions during 2021 (2020: nil). It is our policy not to make political donations or incur political expenditure. However, there may be uncertainty as to whether some normal business activities fall under the wide definitions of political donations, organisations and expenditure used in the Companies Act. We will therefore continue to seek shareholder approval to make political donations or incur expenditure as a precaution to avoid any inadvertent breach of the Companies Act.

Shares

Rights and obligations

The rights and obligations relating to the Company's Shares (in addition to those set out by law) are contained in the Articles.

Restrictions on transfer of securities

Olive Partners and TCCC are both subject to certain restrictions relating to the acquisition or disposal of Shares under the terms of the Shareholders' Agreement. Other than those set out in the Shareholders' Agreement, we are not aware of any agreements between shareholders that may result in a restriction of the transfer of securities or voting rights in the Company.

Employee share schemes

Shares issued under the Company's employee share schemes rank pari passu with the existing Shares of the Company. Voting rights attached to Shares held on trust on behalf of participants in the GB Employee Share Plan are exercised by the trustee as directed by the participants.

Significant shareholdings

In accordance with DTR 5.8, table 2 shows the significant interests in Shares of which the Company has been notified as at 31 December 2021, and the date of this report. The shareholders identified have the same voting rights as all other shareholders.

Share buyback programme

The Company announced a share buyback programme on 13 February 2020, under which it proposed to reduce share capital by up to €1 billion through the purchase and cancellation of its own Shares (the Buyback Programme). Share purchases for the Buyback Programme were undertaken pursuant to shareholder authority granted at the 2019 AGM.

In light of the significant and unprecedented macroeconomic uncertainty brought about by the outbreak of COVID-19, on 23 March 2020, the Company announced a suspension of the Buyback Programme. To maintain flexibility, the shareholder authority to purchase Shares was renewed at the 2021 AGM, under which the Company may purchase up to 45,528,556 Shares, representing 10% of the Company's issued share capital at 12 April 2021, reduced by the number of Shares purchased or agreed to be purchased between 12 April and 26 May 2021. No Shares were purchased under this authority in 2021.

We intend to seek to renew the authority to purchase Shares at the 2022 AGM.

*For more details, see the Share buyback programme section in Other Group information on **page 205***

Table 2

Interests in Shares of which the Company has been notified

Shareholder	Percentage of total voting rights notified to the Company as at the year end[C]	Number of voting rights notified to the Company as at the year end	Percentage of total voting rights notified to the Company as at the date of this report[C]	Number of voting rights notified to the Company as at the date of this report
Cobega, S.A.[A]	36.1%	166,128,987	36.1%	166,128,987
TCCC[B]	19.01%	87,950,640	19.01%	87,950,640

(A) Held indirectly through its 56.03% owned subsidiary, Olive Partners.
(B) Held indirectly through European Refreshments Unlimited Company.
(C) Percentage interests disclosed calculated as at the date on which the relevant disclosure was made. These have not been updated to reflect changes in the total voting rights since notification and so may not represent the percentage interest as at 31 December 2021 or the date of this report.

Directors' report

CONTINUED

Change of control

There are no agreements in place which provide compensation for loss of office or employment to any Director in the event of a takeover, except for certain provisions under the employee share plans, which may provide that certain outstanding awards may vest early in such an event.

The Board considers that a change of control might have an impact on the following significant agreements:

– Bottling agreements between the Group and TCCC
– A bank credit facility agreement, under which the maximum amount available at 31 December 2021 was €1.95 billion

Research and development

The Company invests in and undertakes certain activities for the development of innovative solutions, digital capabilities and advanced analytics to drive the simplification of applications and platforms, and to support and grow its business in both its manufacturing and non-manufacturing operations.

Independent auditor

Disclosure of information to auditors

Each of the Directors in office as at the date of this Integrated Report, confirms that:

– so far as he or she is aware, there is no relevant audit information (as defined by section 418 of the Companies Act) of which the Company's auditor is unaware; and
– he or she has taken all the reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor reappointment

EY has expressed willingness to continue in its capacity as independent auditor of the Company. The Directors plan to recommend a resolution to reappoint EY at the next AGM.

Going concern

As part of the Directors' consideration of the appropriateness of adopting the going concern basis in preparing the consolidated financial statements, the Directors have taken into account the Group's current cash position and its access to a €1.95 billion undrawn committed credit facility. The Directors have also considered the stress testing performed as part of the assessment of viability set out on page 48.

On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of 12 months from the date of signing these accounts.

This Directors' Report has been approved by the Board and signed on its behalf by

Clare Wardle, Company Secretary
15 March 2022
Coca-Cola Europacific Partners plc
09717350

Directors' responsibilities statement

Responsibility for preparing financial statements

The Directors are responsible for preparing the Integrated Report and the financial statements in accordance with applicable United Kingdom (UK) law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared Group and Parent Company financial statements in accordance with UK-adopted International Accounting Standards. In preparing the consolidated Group financial statements the Directors have also elected to comply with International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Under section 393 of the Companies Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and of the Group for that period.

In preparing the Company financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Follow UK-adopted International Accounting Standards, International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

In preparing the Group financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently
- State whether UK-adopted International Accounting Standards, International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial performance
- Make an assessment of the Group's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation, regulation and practice in the UK governing the preparation and dissemination of financial statements may differ from legislation, regulation and practice in other jurisdictions.

Responsibility statement

The Directors, whose names and functions are set out on pages 67–71, confirm that to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with UK-adopted International Accounting Standards, International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face
- The Integrated Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy

By order of the Board

Clare Wardle, Company Secretary
15 March 2022