

MODERN SLAVERY STATEMENT 2019



This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Coca-Cola European Partners plc and its group companies (CCEP), in particular Coca-Cola European Partners Great Britain Limited and Coca-Cola European Partners Services Europe Limited, during the year ending 31 December 2019 to prevent modern slavery and human trafficking in our business and supply chain.

INTRODUCTION

We consider human and workplace rights – as articulated in the [United Nations' Universal Declaration of Human Rights](#), and the [International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#) – to be inviolable. Respect for human rights is fundamental to the sustainability of CCEP and the communities in which we operate. We are committed to ensuring that all people are treated with dignity and respect.

We support the [10 principles of the UN Global Compact](#), and take a proactive approach to respecting these rights in our workplace, in our supply chain, and in the communities in which we operate. We provide a safe and healthy workplace and comply with applicable health and safety laws, regulations and internal requirements.

We have a zero-tolerance approach to Modern Slavery of any kind within our operations and supply chain.

Together with The Coca-Cola Company, we expressly prohibit any form of human trafficking within our system or by any company that directly supplies or provides services to our business. We prohibit the use of all forms of forced labour, including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking within our company and by any company that directly supplies or provides services to our business.

OUR BUSINESS

CCEP is a leading consumer goods company in Western Europe, making, selling and distributing an extensive range of non-alcoholic ready-to-drink beverages, and is the world's largest Coca-Cola bottler based on revenue. CCEP serves a consumer population of over 300 million across Western Europe, including Andorra, Belgium, continental France, Germany, Great Britain, Iceland, Luxembourg, Monaco, the Netherlands, Norway, Portugal, Spain and Sweden.

You can read more about our business and our sustainability strategy in our [Integrated Report](#).



300 MILLION CONSUMERS

23,300 EMPLOYEES



17,000 SUPPLIERS ACROSS OUR MARKETS

1.2 MILLION OUTLETS SERVED



13 COUNTRIES IN WESTERN EUROPE

OUR SUPPLY CHAIN

Our suppliers are critical partners for our business. We believe collaboration and innovation throughout our supply chain are essential in advancing our sustainable growth.

We source products from over 17,000 suppliers, and spent approximately €4.5 billion with them in 2019. Our procurement covers commodities and services such as ingredients (with the exclusion of concentrate and juices purchased from The Coca-Cola Company and other franchisors), packaging, energy, capital equipment, building and facilities, fleet and logistics, sales and marketing, IT, telecoms, general administration and professional services. On average, 86% of our spend is with suppliers based in our countries of operation.

We purchase the entire requirement of our concentrates and syrups for Coca-Cola trademark beverages from The Coca-Cola Company. Many of the purchases of our priority agricultural ingredients, such as sugar and juices, are made together with The Coca-Cola Company, and other Coca-Cola bottlers. As a result, we address many of the issues that we face in our supply chain, including that of Modern Slavery, as a joint Coca-Cola system. In particular, in partnership with The Coca-Cola Company, we have developed Supplier Guiding Principles (SGPs) and Sustainable Agriculture Guiding Principles (SAGPs). Our SGPs and SAGPs apply to all of our suppliers, including for those non-Coca-Cola Company brands that we produce and distribute, such as Capri-Sun and our energy brands.

POLICIES

In 2017, we launched a joint sustainability strategy with The Coca-Cola Company in Western Europe, called This is Forward. As part of this strategy, we have made a commitment to ensure that 100% of our main agricultural ingredients and raw materials come from sustainable sources, and to continue to embed sustainability, ethics and human rights within our supply chain.

We uphold our sustainability standards through our Human Rights Policy, Code of Conduct (CoC), Supplier Guiding Principles, and Sustainable Agriculture Guiding Principles. Our Human Rights Policy is aligned with international human rights principles encompassed in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact and the United Nations Guiding Principles on Business and Human Rights.

Our SGPs and SAGPs are aligned with those of the global Coca-Cola system. These set out the minimum requirements we expect of our suppliers in areas such as workplace policies and practices, health and safety, human rights, environmental protection and business integrity. The SGPs and SAGPs expressly prohibit the use of all forms of child labour and forced labour – including prison labour, indentured labour, bonded labour, military labour, slave labour and any form of human trafficking. Our standard supplier contract also includes specific anti-slavery obligations on suppliers, including the express undertaking that neither the supplier nor any other person in its supply chain uses (or has attempted to use) trafficked, bonded, child or forced labour.

GOVERNANCE

We consider human and workplace rights to be inviolable and fundamental to our sustainability as a business. We are committed to ensuring that everyone working throughout our operations and within our supply chain is treated with dignity and respect.

CCEP has a strong governance framework with a Board of Directors overseeing the interests of all stakeholders. Five committees support the Board. These include the Corporate Social Responsibility (CSR) Committee, which is responsible for overseeing CCEP's sustainability strategy and all related policy issues and risks, including human rights. Management has also established a Compliance & Risk Committee, which oversees our ethics and compliance programme.

Our Code of Conduct (CoC) ensures that we act with integrity and accountability in all of our business dealings and relationships, in compliance with all applicable laws, regulations and policies. We expect everyone working at CCEP to adhere to the CoC. In each of our territories, we have established ways for employees to report potential violations. These include channels for employees to contact a line manager or HR representative, or to share information through our dedicated, independent and confidential Speak Up Channels. CCEP is committed to investigating, addressing and responding to the concerns of employees and to taking appropriate corrective action in response to any violation.

We also expect all third parties who work on our behalf to act in an ethical manner consistent with our CoC and to comply with our SGPs. CCEP's standard supplier contract includes the requirement for compliance with Modern Slavery and anti-bribery legislation as well as compliance with the SGPs.

RISK ASSESSMENT & DUE DILIGENCE

Assessing risk

We evaluate the performance and sustainability of our suppliers on an ongoing basis. For our Tier 1 suppliers that are most critical, we carry out a financial assessment during the 7-Step Sourcing process¹, perform an annual supply risk analysis and have regular meetings to discuss performance, opportunities, innovation and sustainability. In 2019, we conducted a category risk mapping exercise with EcoVadis to better understand any risks associated with a particular supplier or ingredient. We focused on sugar, coffee and tea and have subsequently developed a sustainability risk management strategy.

Modern Slavery has been assessed as a part of our corporate Enterprise Risk Management process, and responsibility for managing its risk sits with a designated risk owner.

In 2019, we conducted a Human Rights Risk Assessment based on salient human rights issues identified during a series of workshops and interviews with key internal stakeholders from different functions and countries in 2018/19. These salient human rights issues formed the basis of our new [Human Rights Action Plan](#). We identified nine key areas as posing the greatest risk to people in our own operations and across our value chain. We have initially focused on the first four priority issues to ensure full compliance and that action is taken.

We have established working groups to focus on each of the priority issues - progress on the action plans for each issue is monitored and reviewed on a regular basis. In 2020, we will also develop action plans for the remaining salient issues.

Our biggest potential exposure to Modern Slavery is within our priority agricultural ingredient supply chains, and within the supply chains for some of our packaging materials. As we source these ingredients and materials primarily together with The Coca-Cola Company, we are working with them to source 100% of our priority agricultural ingredients sustainably.

We track whether our priority agricultural ingredients and raw materials are sourced sustainably through compliance with our SAGPs, which includes prohibitions on modern slavery, forced labour, and child labour. The SAGPs are aligned with leading global third-party sustainable farming standards and assurance schemes such as the Farm Sustainability Assessment of the Sustainable Agriculture Initiative Platform (SAI FSA), Bonsucro and Rainforest Alliance. Together with The Coca-Cola Company, we are developing sourcing guidelines to provide transparent criteria for our ingredient suppliers to outline the sustainability standards they should meet and the pathways by which they can do so.²

Ongoing monitoring

We expect our suppliers to develop and implement appropriate internal business processes to ensure compliance with the SAGPs. As part of the Coca-Cola system, we have relied on independent audits commissioned by The Coca-Cola Company to monitor supplier compliance with the SAGPs. The Coca-Cola Company is a member of the AIM-PROGRESS forum, a global forum promoting responsible sourcing practices and the harmonisation of supplier audits as a way of reducing duplication and costs for suppliers. The SAGPs and SGP audits have been benchmarked against other members' protocols and are recognised by AIM-PROGRESS members through a framework called Mutual Recognition.

PRIORITY ISSUES



HEALTH, SAFETY & SECURITY



EQUALITY & NON-DISCRIMINATION



WORKING HOURS



MIGRANT & TEMPORARY WORKERS

2020 FOCUS



FREEDOM OF ASSOCIATION



RIGHT TO PRIVACY



DATA PROTECTION



FORCED LABOUR



WAGES

¹ This includes taking suppliers through a thorough selection process, with a Request for Information (RFI) being issued prior to creating a supplier shortlist. In addition to the usual commercial and technical information, the RFI also requests information on the potential supplier's sustainability strategy, compliance with the SAGPs and/or SAGPs, as well as specific sustainability criteria related to their product or service category. In addition, we also request a Credit Safe Report to validate the financial stability of each supplier.

² Suppliers who want to show SAGP compliance based on other standards, e.g. regionally or national, are required to show equivalence with one of the globally preferred standards or the SAGP through a valid benchmark: Sustainable Ingredients Policy.

Audits against our SGPs generally include confidential interviews with employees and on-site contract workers. These audits include checks to ensure suppliers are not using child labour, forced labour, or any form of modern slavery, amongst the other covered areas of our SGPs. In 2019, 99% of our packaging and ingredients suppliers were covered by SGP audits.

If a supplier fails to uphold any aspect of the SGP requirements, the supplier is expected to implement corrective actions. The Coca-Cola Company reserves the right to conduct unannounced audits at their discretion and to terminate an agreement with any supplier that cannot demonstrate that it is upholding the SGP requirement, including if it is found to be engaging in modern slavery.

Due to the human resources policies, governance and controls within our own operations – including our offices, manufacturing, distribution, and sales functions – there is a low risk of an incidence of child labour or any form of forced labour within our own operations.

We also employ contract labour within our operations – including temporary labour within our manufacturing operations and sales teams, consultancy and temporary contracts in our head offices, and third-party contractors for services such as cleaning. While these areas are not under our direct control, and therefore carry a higher risk of non-compliance, CCEP's standard supplier contract includes the requirement for compliance with Modern Slavery and anti-bribery legislation as well as compliance with the SGPs.

We conduct continuous assessments of our operations and of key authorised contract labour suppliers to ensure the responsible treatment of contract labourers. We utilise The Coca-Cola Company's contract labour risk-mitigation checklists and other tools to help us manage contract labour appropriately.

TRAINING

All procurement managers who interact with suppliers are given training on SGPs and SAGPs as well as on Human Rights, as part of their induction, and these are refreshed regularly. In June 2019, we held a training session for procurement teams on human rights and their role in our commitments, and we will refresh this training in 2020 for the procurement function.

The CoC has been formally adopted in all the territories in which we operate, as well as by our shared service centres in Bulgaria. All employees are required to undergo CoC training, and this is part of the induction process for new employees.

In 2019, we launched our [Gift, Entertainment and Anti-bribery Policy](#) (GEAb Policy) and [Conflict of Interest Policy](#) via company-wide communications which again set out how employees can report an issue. Additionally, we delivered training on the GEAb Policy to procurement teams.

OUR PROGRESS

Our biggest potential exposure to Modern Slavery is within our priority agricultural ingredient supply chains, and within the supply chains for some of our packaging materials. We track our suppliers' compliance with our SAGPs which includes prohibitions on modern slavery, forced labour and child labour, through third-party certification processes.

We continue to work with our suppliers to source 100% of our priority agricultural ingredients sustainably, according to our SAGPs. In 2019, we have seen progress in relation to commodities such as sugar and pulp & paper (see below). Together with The Coca-Cola Company, we are also developing sourcing guidelines to provide transparent criteria for our ingredient suppliers to outline the sustainability standards they should meet.

Sugar

Over 90% of the sugar we use comes from sugar beet grown in North West Europe and Spain. In partnership with The Coca-Cola Company, we offer several routes by which beet sugar suppliers can comply with the SAGPs and meet third-party standards. Our preferred method is the [SAI's Farm Sustainability Assessment \(FSA\)](#) whereby farmers can self-assess the sustainability of their agricultural practices against a range of environmental, social and economic indicators. Also applicable to other agricultural ingredients such as juices, the FSA provides farmers with the information they need to make their operations more sustainable. It also enables them to share their progress with customers and suppliers within their own supply chains. We intend that all our sugar beet suppliers should achieve compliance with our SAGPs through the FSA or similar programmes by 2020. In 2019, 96% of our sugar volumes were certified as compliant with our SAGPs.

Pulp and paper

Pulp and paper are used in much of our packaging and point of sale material. Suppliers can attain a Sustainable Forest Management accreditation such as the [Forest Stewardship Council \(FSC\)](#) or a certification endorsed by the [Programme for the Endorsement of Forest Certification \(PEFC\)](#). The FSC-certified logo, or those from the PEFC, represent a global chain of custody system, supported by a chain of custody certification process and independent inspections. Every new paper, pulp and cardboard contract now includes a requirement for third-party certification and suppliers have until 2020 to comply. Card and board used for packaging makes up the majority of our pulp and paper, and in 2019, 100% of our cardboard for secondary and tertiary packaging was certified as SAGP compliant. We aim to expand reporting on this category to include additional areas such as printed and point of sale material over the coming years.

Coffee and Tea

We source coffee and tea for our Honest, Chaqwa and Fuze Tea brands through The Coca-Cola Company, with whom we work closely to ensure compliance with our SAGPs and other internationally recognised sustainable sourcing standards. In 2019, 90% of coffee sourced by The Coca-Cola Company at global level was SAGP-compliant – including the coffee in our Honest Coffee brand which was 100% SAGP-compliant, meeting [Fairtrade](#) and other third-party certification standards. 82% of The Coca-Cola Company's global tea volumes were SAGP-compliant in 2019 - including our Fuze Tea brand, containing tea extracts from 100% sustainably sourced tea leaves, and achieving SAGP-compliance through [Rainforest Alliance](#) certification. As a result, the 'green frog' seal, confirming the tea has been sourced from Rainforest Alliance Certified™ farms, is included on all packaging for the complete Fuze Tea range.³

Juices

For orange, lemon and apple juice, we're working with The Coca-Cola Company, our juice suppliers and other third-party frameworks to establish programmes to ensure compliance with our SAGPs. In particular, we work with partners such as the SAI to improve the sustainability of our juice supply.

NEXT STEPS

At the time of writing this statement, we are facing unprecedented challenges stemming from the Covid-19 crisis. The safety and wellbeing of everyone working in our operations and value chain is our top priority. Whilst it is still unclear how long the pandemic will last and how it will impact on our business in the long term, we will strive to continue to address potential modern slavery risks throughout our value chain. We will focus on:

- Continuing to monitor supplier compliance with our SAGPs
- Continuing to work with The Coca-Cola Company and our agricultural suppliers to move towards sourcing 100% of our agricultural ingredients sustainably
- Implementing our Human Rights Action Plan, including developing action plans for our salient issues; delivering training on human rights for our procurement and supply chain teams; engaging external stakeholders to validate our approach and ongoing supplier engagement
- Evolving our sustainable procurement strategy to develop supplier engagement & capacity-building on sustainability

This statement was approved by the Boards of Coca-Cola European Partners plc, Coca-Cola European Partners Great Britain Limited and Coca-Cola European Partners Services Europe Limited.

Signed



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³ The Coca-Cola Company (2020) [2019 Business & Sustainability Report](#)