

Who we are

Coca-Cola Europacific Partners
is one of the world's leading
consumer goods companies
– making, moving and selling
some of the world's most
loved brands.

We serve the world's best brands to millions of people, businesses and communities every day.

Everything we do is built on three strategic pillars: great people, great service and great beverages. Done sustainably, for a better shared future.

And our success is defined by the passion, hard work and commitment of the 33,000 people who work here at Coca-Cola Europacific Partners (CCEP).

Revenue

€17.3bn

Europe

€13.5bn

API

€3.8bn

Comparable operating profit^(A)

€2.1bn

Europe

€1,670m

API

€468m

Adjusted free cash flow^(A)

€1.8bn

Packaging

48.5%

% of PET used that is recycled PET (rPET)

Climate

9.4%

Absolute reduction in total value chain
GHG emissions (Scope 1, 2, 3) since 2019^(B)



Read more about our financial and sustainability performance indicators on pages 8-9

(A) Comparable operating profit and adjusted free cash flow are non-GAAP performance measures. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and to pages 75-85 for a reconciliation of reported to comparable and reported to adjusted results. Adjusted free cash flow excludes cash proceeds related to historical VAT dispute refund in Spain.

(B) The Acquisition of API completed on 10 May 2021. GHG metric is calculated on a full year pro forma basis for 2019 baseline to allow for better period over period comparability.

Our portfolio

Great brands, innovation and value for customers

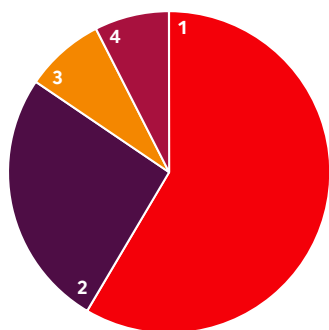
We work with our partners to offer consumers a wide range of quality drinks for every taste and occasion.

We continue to expand our portfolio by growing our core brands, while launching and scaling new products in categories like alcohol and coffee.

Our frontline sales force deliver execution and activation of our brands to support and create value for our customers throughout the year.

We are reducing the environmental impact of our manufacturing, distribution and packaging, as well as delivering on our commitment to reduce sugar across our portfolio and offering more no or low-calorie drinks.

2022 volume by brand category



| | | |
|---|-----------------------------------|-------|
| 1 | Coca-Cola | 58.5% |
| 2 | Flavours, mixers and energy | 26.0% |
| 3 | RTD tea, coffee, juices and other | 8.0% |
| 4 | Hydration | 7.5% |

Coca-Cola®

Our Coca-Cola brands come in a range of flavours and a great choice of packs, with or without sugar.

More flavours and innovation

In 2022, we provided even more flavour extensions and innovation with a number of limited editions including Coca-Cola Intergalactic; Marshmello's Limited Edition Coca-Cola; and Coca-Cola Dreamworld.

World-renowned supermodel Kate Moss was named as Diet Coke's Creative Director, revealing the highly anticipated creative partnership – Diet Coke by Kate Moss, 'Love What You Love' – celebrating 40 years of Diet Coke and delivering exciting activation.

We also marked the FIFA World Cup 2022 with promotions, limited edition pack designs and in store displays across our channels. This activity focused on attracting consumers and engaging fans across our markets.

We ended the year with engaging Christmas campaigns and promotions to mark the holiday season, which is an important selling moment for CCEP.

2022 key product

Coca-Cola Zero Sugar continued to perform in 2022 and saw volume growth of

+10.0%



See our portfolio
coccolaep.com/about-us/products



2022 volume performance by category

Coca-Cola trademark

Flavours, mixers and energy

+8.0% **+11.5%**

Hydration

RTD tea, RTD coffee, juices and other

+16.0% **+7.0%**

Our portfolio continued

Great brands, innovation and value for customers

Flavours, mixers and energy

Our flavours, mixers and energy category is driving growth for our business and providing a range of great tasting drinks for consumers.

2022 energy volume

Volume growth supported by solid distribution and exciting innovation including Juiced and Ultra flavour extensions from Monster.

+18.5%



New flavours, more no and low-calorie options, and engaging activation

In partnership with Monster Energy, we launched the new Monster Reserve range with two new variants – White Pineapple and Watermelon – joining the traditional Monster energy range.

Fanta continued to grow, as we launched new flavours, such as Fanta Raspberry, and the brand celebrated Halloween, supported by marketing, promotions and in store and online execution. For the first time Fanta Lemon, Fanta Fruit Twist Zero, Fanta Grape Zero, and Fanta Raspberry Zero were included in the brand's Halloween activity.

What The Fanta Zero Sugar returned with a new colour and mystery flavour. It was supported by on and off shelf execution.

Sprite launched a major brand refresh along with its first ever global brand platform 'Heat Happens', to help provide a consistent consumer experience around the world.

New Sprite Lemon+ launched, offering an extra hit of zesty lemon flavour, sharp fizz and a kick of caffeine, providing an enticing new option for consumers.



RTD tea, coffee, juices and other

Ready to drink (RTD) remains an important category for our business, with ongoing innovation, and quality brands introduced to new markets.

Value share growth for Fuze Tea

In 2022, Fuze Tea continued to be an important part of our portfolio, with further value share gains in Europe.

In Indonesia, we introduced new Frestea Nusantara Original Jasmine Tea, an authentic home brewed tea.

2022 key product

Fuze Tea saw solid volume growth in Europe

+28.0%



Hydration

Category growth following restrictions lifting

Our hydration category provides consumers with a range of beverage choices for any occasion – when on the move, at home or in the gym, for example. It includes waters, flavoured waters, functional waters and isotonic drinks.

Water volumes were up 13.5% vs 2021 reflecting its exposure to immediate consumption across both channels, with the rebound of the away from home channel and increased mobility. Sports drinks volumes were up 23.0% and continue to be popular in both Europe and API.



Going further on refillables

CASE STUDY

Refillable glass bottles

Our strategy for prioritising returnable glass bottles (RGB) in the hotels, restaurants and cafés (HoReCa) channel in France, now aligns with the approach we have established in Belgium, Germany, Luxembourg, the Netherlands and Spain. We are now offering all our brands in RGB in the HoReCa channel in France, using a deposit system. This major step forward replaces single use glass bottles with new bottles that can be refilled up to 25 times, saving energy and raw materials.

This move will reduce our carbon footprint because a RGB can have GHG emissions three times lower than a single use glass bottle. The universal format also allows outlets and wholesalers to manage bottle returns easier.

Packaging accounts for 38% of our total value chain emissions. This project is a significant milestone towards reducing the carbon footprint of our packaging.

Highlights

**x25
refills**

Our new RGB can be refilled up to 25 times.

**~160k
outlets**

Approximately 160,000 hotels, restaurants and cafés in France will now have the opportunity to receive all our beverages in RGB.



Find out more at cocacolaep.com/annual-report/case-study/refillable-glass-bottles



Our operations

Remaining close to our customers, communities and stakeholders gives us unique knowledge of our markets, enabling us to provide great service and great beverages, sustainably.

■ Our markets
▨ Location of our shared service centres



| Region | Revenue by geography ^(A) | Employees ^(B) | Production facilities |
|---|-------------------------------------|--------------------------|-----------------------|
| Europe | | | |
| 1 Iberia (Spain, Portugal and Andorra) | 17.5% | 3,938 | 11 |
| 2 Germany | 15.5% | 6,591 | 16 |
| 3 Great Britain | 18.0% | 3,419 | 5 |
| 4 France and Monaco | 12.0% | 2,516 | 5 |
| 5 Belgium and Luxembourg | 6.0% | 2,116 | 3 |
| 6 Netherlands | 4.0% | 795 | 1 |
| 7 Norway | 2.0% | 558 | 1 |
| 8 Sweden | 2.5% | 740 | 1 |
| 9 Iceland | 0.5% | 176 | 2 |
| 10 Bulgaria ^(C) | — | 1,025 | — |
| Australia, Pacific and Indonesia (API) | | | |
| 11 Australia | 13.5% | 3,621 | 13 |
| 12 New Zealand and Pacific Islands | 4.0% | 1,846 | 12 |
| 13 Indonesia and Papua New Guinea | 4.5% | 5,954 | 11 |

(A) Revenue shown is percentage of total reported revenue as at 31 December 2022.

(B) Number shown is number of employees as at 31 December 2022.

(C) Shared service centres.

Our business model

How we do what we do

From developing close relationships with TCCC and other franchisors and sourcing raw materials, to making and distributing great tasting drinks, our great people deliver great service, great beverages, done sustainably.

Associated risks

Read more about our risks and mitigations on pages 64-71

- 1 Packaging
- 2 Legal, regulatory and tax
- 3 Business disruption
- 4 Cyber, social engineering and IT
- 5 Economic and political conditions
- 6 Market
- 7 Climate change and water

- 8 Perceived health impact of beverages & customer buying trends
- 9 Business transformation & integration
- 10 People and wellbeing
- 11 Relationships with TCCC and other franchisors
- 12 Product quality

Great people

Great service

Great beverages

Done sustainably



Forward on climate



Forward on packaging



Forward on water



Forward on supply chain



Forward on drinks



Forward on society

For a better shared future

Creating value and driving sustainable returns for all our stakeholders

We partner

We operate under bottler agreements with TCCC and other franchisors, and purchase the concentrates, beverage bases and syrups to make, sell and distribute packaged beverages to our customers and vending partners.

Associated risks: 2 8 9 11



We source

We use ingredients such as water, sugar, coffee, juices and syrup to make our drinks. We also rely on materials like glass, aluminium, PET, pulp and paper to produce packaging. On average in 2022, 85% of spend was with suppliers based in our countries of operation.

Associated risks: 1 3 4 7 12



We make

Our production facilities make and bottle our wide range of drinks. Over 90% of the drinks we sell are produced in the country in which they are consumed.

Associated risks: 3 4 7 9 10 12



We recycle

Although 99%^(A) of our bottles and cans are recyclable, they don't always end up being recycled. That needs to change. We're determined to lead the way towards a circular economy for our packaging where, working with partners, we encourage packaging collection so that materials are recycled and reused.

Associated risks: 1 2 7 (A) Europe only



We sell

Our nearly 12,500 strong commercial team works with a huge range of customers, ranging from small local shops, supermarkets and wholesalers to restaurants, bars and sports stadiums, so consumers can enjoy our great products. We also provide cold drink equipment (CDE) and supply vending machines.

Associated risks: 2 3 4 5 6 8 10



We distribute

We distribute our products to customers and vending partners directly, by working closely with logistics partners.

Associated risks: 1 3 6 10



Going further on simplification

CASE STUDY

Focusing on our core

We continued to focus on our core brands across our broad pack offering which included the launch of a number of strategic initiatives, including as part of the API integration, to enable greater focus on non-alcoholic RTD (NARTD) and alcoholic RTD (ARTD).

We significantly reduced the number of stock keeping units (SKUs) we produce and sell in Indonesia, prioritising sparkling and RTD tea for future growth.

Our leadership team said:

Peter West,
API General
Manager

"Portfolio, and portfolio
prioritisation, are key to
driving category growth."

Damian
Gammell,
CEO

"Simplifying the portfolio also
enables us to run our production
lines more efficiently, and
ultimately to provide better
customer service."



Find out more at cocacolaep.com/au/our-portfolio

Performance indicators

Financial

Revenue

€17.3bn

Revenue increased by 15.5% on a pro forma comparable and foreign exchange (FX) neutral basis. This was driven by a 9.5% increase in volume on a pro forma comparable basis, reflecting the solid recovery of the away from home (AFH) channel. In addition to fewer COVID-19 restrictions, the return of travel and tourism, and favourable weather in Europe also supported the recovery. Home occasion trends continued to increase, leading to resilient demand in the home channel, which contributed to the volume growth.

Revenue per unit case increased by 6.0% on a pro forma comparable and FX neutral basis, reflecting positive pack and channel mix driven by the recovery of the AFH channel, promotional optimisation and favourable underlying price. Dynamic headline pricing strategies were implemented across our markets in response to unprecedented levels of inflation.

Europe (€m)

| | |
|------|--------|
| 2022 | 13,529 |
| 2021 | 11,584 |

API (€m)

| | |
|------|-------|
| 2022 | 3,791 |
| 2021 | 3,235 |

Operating profit on a comparable basis

€2.1bn

Comparable operating profit increased by 12.5% on a pro forma comparable and FX neutral basis reflecting the strong revenue growth, as well as the benefit of ongoing efficiency programmes and discretionary spend optimisation. Inflationary pressures, particularly on commodities and gas and power, higher concentrate costs, driven by the strong revenue per unit case growth, and continued investment in our capabilities moderated the growth in comparable operating profit.

Europe (€m)

| | |
|------|-------|
| 2022 | 1,670 |
| 2021 | 1,500 |

API (€m)

| | |
|------|-----|
| 2022 | 468 |
| 2021 | 386 |

Diluted earnings per share (EPS) on a comparable basis

€3.39

Comparable diluted EPS increased by 13.0% on a pro forma comparable and FX neutral basis driven by the increase in comparable operating profit.

Adjusted free cash flow

€1.8bn

Solid adjusted free cash flow generation of €1.8bn, reflecting strong trading performance, disciplined capital expenditure and working capital improvement initiatives.

Return on invested capital (ROIC) (%)

9.1%

ROIC increased by 112 basis points on a pro forma basis to 9.1% driven by the increase in comparable operating profit after tax, as we continued to focus on driving profitable revenue growth, and capital allocation.

Comparable operating profit, comparable EPS, adjusted free cash flow and ROIC are non-GAAP performance measures. Comparative figures for API revenue and operating profit on a pro forma comparable basis. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and pages 75-85 for a reconciliation of reported to comparable and FX neutral, reported to pro forma comparable and FX neutral, and reported to adjusted results. Adjusted free cash flow excludes cash proceeds related to historical VAT dispute refund in Spain.

Performance indicators continued

Sustainability

Safety

Group: total incident rate
Number per 100 full time
equivalent employees

0.87

Our target

**Reduce our total incident
rate (TIR) to below 1 by 2025**

We are working towards world class safety standards and our Health, Safety and Mental Wellbeing policy is helping to ensure we are adopting best practices.

Climate

**Group: percentage greenhouse gas
(GHG) emissions reduction across
our entire value chain versus 2019**

9.4%

Our target^(A)

**Reduce emissions across our
entire value chain by 30% by 2030
(versus 2019)**

At the end of 2022, we submitted the short-term target above and a long-term target to reach Net Zero by 2040 to the Science Based Targets initiative (SBTi) for their approval. Both are absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our value chain.

Water

**Group: water replenished
as a percentage of total
sales volume**

105.5%

Our target

**Replenish 100% of water we use
in our beverages**

Together with TCCC and The Coca-Cola Foundation (TCCF), we have set up several replenishment programmes across our territories in recent years. In 2022, we managed 21 water replenishment projects in Europe and 6 in API.

Drinks

Percentage sugar per litre reduction

| | | Target |
|-----------------------|------|-------------------------------------|
| Europe ^(B) | | 10% reduction by 2025 (versus 2019) |
| 2022 | 5.2% | |
| 2021 | 5.6% | |

| | | Target |
|----------------------------|-------|-------------------------------------|
| New Zealand ^(C) | | 20% reduction by 2025 (versus 2015) |
| 2022 | 15.9% | |
| 2021 | 13.4% | |

| | | Target |
|--------------------------|-------|-------------------------------------|
| Australia ^(C) | | 25% reduction by 2025 (versus 2015) |
| 2022 | 16.8% | |
| 2021 | 14.9% | |

| | | Target |
|--------------------------|-------|-------------------------------------|
| Indonesia ^(C) | | 35% reduction by 2025 (versus 2015) |
| 2022 | 31.6% | |
| 2021 | 20.9% | |

Our target

Reduce sugar in our drinks

Packaging

**Group: percentage of PET
used that is rPET**

48.5%

Our target

**50% recycled plastic in our
PET bottles by 2023 (Europe)
and 2025 (API)**

In 2021, we achieved our European target four years ahead of schedule^(D). In 2022, we increased our use of recycled PET (rPET) again, reaching 56.3%. In API 26.9% of the plastic we used to make our PET bottles was rPET.

Note: All sustainability metrics were subject to external independent limited assurance by DNV for the year ended 31 December 2022. For details and 2022 basis of preparation, see cocacolaep.com/sustainability/download-centre/

(A) New Group wide commitment. We expect SBTi to complete its review by the end of 2023. This is in addition to the ~30% absolute reduction already achieved between 2010 and 2019 in Europe.

(B) Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include water or juice.

(C) NARTD, including dairy. Does not include coffee, alcohol, beer or freestyle.

(D) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Chairman and CEO

In conversation

Left:
Sol Daurella,
Chairman

Right:
Damian Gammell,
CEO

Further

together

"We delivered great results in our first full year as Coca-Cola Europacific Partners, creating value for customers and shareholders as well as making great progress against our sustainability commitments."

Damian Gammell, CEO

How did CCEP perform in 2022 and what are you most proud of in the year?

Damian: There are many achievements to be proud of in 2022 but, as always, nothing would have been possible without our great people and so I would like to extend my sincere gratitude to everyone at CCEP for another year of incredible commitment and hard work.

I am delighted with our financial performance in 2022, achieving strong top and bottom line growth, value share gains and an impressive level of free cash flow. Key to this was the continued recovery of the AFH channel, supported by the return of travel and tourism, a record Ramadan period, and resilient demand in the home channel. I am also extremely proud of the way we successfully navigated various supply chain challenges, ensuring our products were available on shelf and online, and maintaining our high levels of customer service.

We also celebrated our first year as Coca-Cola Europacific Partners in May, and continued to make great progress against our sustainability commitments – both of which I'll talk more about shortly. I am very proud that we shared in all of our successes with our retail customers, having delivered more revenue growth for them than any of our peers, highlighting the strength of our customer relationships.

Sol: I am really proud of the progress we've made in making CCEP a great place to work. In our first full year as Coca-Cola Europacific Partners, we have already created a collaborative and inclusive culture. We've invested in our people, their safety and skills and are creating an environment where everyone can share their ideas and be empowered to collaborate, win together and grow.

Through our close alignment with TCCC, and thanks to our experienced leadership team and Board, I am proud of our ability to deliver consistent value for our customers and shareholders, and to support our communities.

What are your priorities and focus areas for CCEP in 2023?

Damian: Despite the current dynamic macroeconomic and inflationary environment, we believe we are well placed for 2023 and beyond. We operate within robust and growing categories, with great brands, that our consumers love. We will continue to invest and innovate in these brands and their packaging, supporting a solid growth platform for our customers. We will also continue to actively manage our headline pricing and optimise our promotions through smart and digitally led revenue and margin growth management, giving us confidence as we navigate through uncertain times. And of course, our people and our sustainability commitments will continue to be key areas of focus.

Chairman and CEO continued

In conversation

Sol: As we continue to face a highly uncertain economic environment, it is clear we must sharpen our focus on driving profitable revenue growth and delivering best in class customer service. The strength of our brands, the great partnership with TCCC and our leading capabilities give me confidence that we will continue our consistent track record in 2023.

What did you learn from the first year as Coca-Cola Europacific Partners?

Damian: The more time I spend in our API region, the more excited I get about the opportunities ahead. The API business had a fantastic 2022, with revenue and profit ahead of 2019, and is moving ahead with its strategic priorities at pace. In Australia, we have already made good progress with the simplification of our portfolio and a reduction in promotions. We are sharing learnings and best practices in both directions in areas such as IT infrastructure and data analytics. There is so much to learn from the teams in Australia and New Zealand. They are really setting the benchmark for world class execution.

And I'm even more excited about the transformation opportunity in Indonesia, with more focus on our core sparkling and tea categories allowing us to manage our supply chain more efficiently and deliver even better service to our customers across key calendar events like Ramadan. I am really pleased that in February 2023 we announced the purchase of TCCC's 29.4% minority stake in our Indonesia business, increasing CCEP's ownership to 100%. This now simplifies our ownership structure while demonstrating our commitment to the future of this market.

"
I am confident that we have the right strategy to deliver on our new ambitious mid-term targets."

Sol Daurella, Chairman

Sol: I've been very fortunate to join Damian and the Board in visiting our API markets over the last year, and the growth potential of these regions is truly exciting. We have a strong track record of creating value in developed markets and we are applying these learnings to Australia and New Zealand, while we are already seeing great early results in Indonesia, one of the world's more populous and attractive emerging markets. Our journey in these markets is really just beginning, but I'm very proud of everything we've achieved so far.

What gave you the confidence to recently raise your mid-term growth objectives?

Damian: Ultimately, we believe we can grow ahead of the category, led by our great brands and best in class capabilities; all underpinning our objective of ~4% revenue growth^{(A)(D)} over the mid term. We expect our category to grow 3–4%^(B) on average each year, with faster growth from API and in particular Indonesia, which creates an exciting opportunity for us.

We will continue to invest in the capabilities and technology that our people need to win. This, alongside our ongoing focus on cost control and productivity efficiencies, should drive ~7% operating profit growth^{(A)(D)} and an impressive annual free cash flow of ~€1.7 billion^{(C)(D)} over the mid term.

Sol: We're striving for a bigger and bolder future by focusing on profitable organic revenue growth. We have a lot to do, but as we build on our current momentum, I am confident that we have the right strategy to deliver on our new ambitious mid-term targets.

"
Digital is a key enabler of growth for both CCEP and its customers."

Damian Gammell, CEO

How is CCEP doing on its journey to becoming the world's most digitised bottler?

Damian: Digital is a key enabler of growth for both CCEP and its customers. Today, approximately 85% of our sales volume is captured digitally, and while we have built a strong foundation, we continue to learn and build the relevant capabilities to further optimise our digital footprint. We will continue to partner with our customers, leveraging our data and analytics tools, to optimise revenue growth opportunities, and we have been taking learnings from Australia and New Zealand in this area. We will continue to build out our digital commercial tools to enable our front line colleagues to better engage with and sell to our customers.

We've been accelerating our business to business (B2B) platforms to make it even easier for our customers and wholesalers to do business with us. We have two winning portals – my.CCEP.com in Europe and Indonesia, and myCCA.com in Australia and New Zealand – collectively processing around €2 billion of revenue, up 50% versus 2021. We will continue to develop the existing functionality to drive ease of ordering, profitable basket growth and account management services. And through our Ventures programme we will continue to partner with eB2B platforms such as Kollex and StarStock to make it even easier for our customers to order our great products.

Sol: We are conscious that, as the pace of change in consumer behaviour and technology accelerates, we must look for ways to evolve our business. Since the formation of CCEP we have been re-engineering CCEP's business processes to be simpler, more standardised and fit for the future, particularly within the workplace and across our supply chain.

As we continue on this journey, we look forward to the benefits that standardised systems and processes will deliver for CCEP; more automation and speed of execution through central decision making and faster integration of new businesses, as well as the competitive edge that comes with reduced operational complexity and controlled costs.

How are you developing the culture within CCEP?

Damian: CCEP's ambitions for growth and sustainability depend on our great people, and the wellbeing and safety of our colleagues remains our number one priority. Despite being recognised for our world class safety performance, tragically two of our Indonesian colleagues lost their lives during the year while at work. We have learnt lessons from these terrible tragedies and we will continue to prioritise and drive further health and safety improvements.

(A) Comparable and FX neutral growth

(B) Internal estimates based on Global Data 2023-2027

(C) Free cash flow after ~4-5% capital expenditure as a % of revenue, excluding payments of principal on lease obligations.

(D) Non-GAAP performance measure. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures.

Chairman and CEO continued In conversation

"Sustainability is fundamental to everything we do as a business, and we will continue to push ourselves to go further and faster to decarbonise our business."

Damian Gammell, CEO

Sol: Our success is driven by our great people and I'd like to thank Damian and the leadership team for creating the winning and inclusive culture that CCEP has today. We had very strong participation in our first global digital engagement survey with a stable engagement score overall, ahead of our benchmark group – a great result in what has been a challenging environment as we establish new ways of working post-COVID-19 and the integration of the API markets.

In addition, I am grateful to my fellow Directors for their contributions and support during 2022. In particular to Jan Bennink, Christine Cross and Brian Smith, who will retire from the Board at the Annual General Meeting (AGM) in May. Further details on Board changes can be found on page 87.

Damian: We are continuing to invest in digital workplace tools and aspire to make it even easier to move and develop internal talent across CCEP. In 2022, we rolled out our digital Career Hub across Europe, which provides users with personalised recommendations for vacancies, career paths and networking opportunities based on their personal profiles.

I also want CCEP to be a place where different perspectives and insights are valued at all levels of the organisation, and we will continue to put diversity at the heart of our culture. Promoting gender equality is a key driver of innovation and growth, and we are committed to achieving more gender balance in our leadership roles. Our diversity and inclusion credentials continue to be recognised externally too, and we are proud to have recently been included in Bloomberg's 2023 Gender Equality Index for the third year in a row.

We will also continue to support our communities and have committed to supporting the skills development of 500,000 people facing barriers in the labour market by 2030.

What progress has CCEP made with its sustainability commitments?

Damian: Sustainability is fundamental to everything we do as a business, and we will continue to push ourselves to go further and faster to decarbonise our business. I am pleased that our This is Forward commitments were extended to our API markets in 2022, resulting in a unified action plan that we will work towards in 29 markets across the world.

We continued to make great progress against our commitments in 2022 and are taking action where it matters most. In Europe, we launched tethered closures on our PET bottles in seven markets and moved all our brands in France to returnable glass bottles within the HoReCa channel. In Australia and Indonesia, we are investing in new PET recycling facilities. These collaborations are a step closer to creating a circular economy for PET and will contribute to further accelerating our journey towards stopping using oil-based virgin plastic in our bottles by 2030.

Four more of our production facilities became carbon neutral in 2022, totalling six to date across different markets, and we achieved 100% renewable electricity purchase in Europe and New Zealand.

Sol: We have made strong progress since This is Forward was first launched in 2017. However, the social and environmental challenges we face – including climate change and the plastic waste crisis – are greater than ever.

We still have a long way to go to meet our long-term targets, and must continue to leverage our business and our brands to build a better shared future for people and the planet. Our progress continues to be recognised externally and we are proud to have retained our coveted CDP and MSCI ratings for the seventh consecutive year, demonstrating the focus and importance we place on sustainability.

CCEP was also recognised for its sustainability leadership within the Coca-Cola system by winning the prestigious 2021 J.Paul Austin Award. I am proud that we were chosen based on our considerable progress with sustainable packaging, including the use of 100% rPET in four markets; our ongoing collection efforts; expansion of paperboard packaging for multipacks; and pioneering tethered closures.

How is CCEP's relationship with TCCC developing?

Damian: CCEP has always been closely aligned with TCCC strategically and we continue to develop our joint long-term growth plans to better align our portfolio, focusing on the core. This includes the reorientation of our portfolio in API, now substantially complete, allowing us to have a more coherent category vision for our customers. A new aligned and clear flavours plan in Australia is already delivering great results driven by smaller pack formats and a focus on no sugar and innovation, for instance the launch of Sprite Lemon+.

Together with TCCC, we are excited to launch Jack Daniel's & Coca-Cola RTD inspired by the classic bar cocktail, across some of our markets in 2023, and will continue to scale existing brands like Costa Coffee and Fuze Tea.

Sol: Both companies are truly aligned on strategy, sharing the same vision of where we're going and how to get there. This strong relationship is also driving forward our sustainability strategy, which is closely aligned with TCCC's global World Without Waste strategy.

What will determine CCEP's success in the future?

Damian: Our success will continue to be driven by our great people, great service, great beverages, done sustainably. We are now a bigger and better, more diverse and resilient business, enhanced by the recently acquired API business. We have delivered over €5 billion of shareholder returns since 2016, demonstrating the strength of our business and ability to deliver continued shareholder value. This remains our key priority for 2023 and beyond. We have the platform and momentum to go even further together for a greater future.

Sol: From the great people who work at CCEP, to the experienced leadership and strategy we have in place, and our strong commitment to sustainability, I'm confident we can succeed. On behalf of the Board, I thank everyone working at CCEP for their hard work, agility and commitment. I'd also like to thank all of our shareholders for their ongoing support. We look forward to continuing our journey with all of our partners and stakeholders in 2023.

"We have the platform and momentum to go even further together for a greater future."

Sol Daurella, Chairman

Going further on digital

CASE STUDY

Factory of the future

We continued to invest in technology that improves customer service and supports growth and productivity across our end to end supply chain.

Key investments include:

- Improving the safety of our people with 5G technology, providing early detection, and real time warnings, of potential collisions for forklift and truck drivers and pedestrians
- Achieving operational efficiencies with autonomous self driving electric trucks for pallet transportation across one of our production facilities in Germany
- Managing line breakdowns better with augmented reality, enabling our engineers to connect with suppliers for real time technical advice

Our leadership team said:

"The factory of the future is really starting to become a reality for many of our production facilities."

José Antonio Echeverría, Chief Customer Service and Supply Chain Officer



Read more about supply chain on pages 49-52



Coca-Cola EUROPACIFIC
PARTNERS

AUGMENTED REALITY



OUR CULTURE IS THE
KEY TO OUR SUCCESS

INNOVATIVE THINKING
WILL MAKE US BETTER

DEVELOPING YOUNG
TALENTS TO SUPPORT
OUR FUTURE

DIGITAL JOURNEY

STANDARDIZING TASKS
THROUGH STEP BY STEP
GUIDES

USING AUGMENTED
REALITY TO SUPPORT
NON-EXPERTS



Our stakeholders

Our stakeholders are part of our business and play a vital role in our success at every stage in our value chain. From the suppliers that provide our raw materials, to the communities where we operate and the people who make and sell our products, we seek to work together to refresh our markets and make a difference.

Our people

CCEP depends on the great people who make, sell and distribute our products to customers every day.

A comprehensive annual engagement plan includes:

Townhalls, Speak Up channels, engagement surveys and the Employee Share Purchase Plan (ESPP)
Communication campaigns, e.g. mental health, safety and inclusion, online platforms



Read about Board engagement with our people on page 102

Engagement highlights in 2022:

Launch of global ESPP with 38% take up rate

CCEP Australia won awards at the Australian HR Awards and at the Mental Health Service Awards of Australia and New Zealand for its Healthy@CCEP programme

Impact/value created:

Our people create value for CCEP by making, selling and distributing our great products

CCEP creates value for our people through providing a safe place to work with rewards and benefits

Key concerns heard from our people include:

Being rewarded

Development opportunities

Safety at work

What is measured and monitored?

Total incident rate

ESPP enrolment

% women in management

Principal risks:

Retaining talent

Health and safety



Read more about our risks and mitigations on pages 64-71



Read more about our people on pages 58-63

Case study Gender Affirmation and Transitioning Guidance

Remember to respect Eli's pronouns when you speak to them

“Create space for inclusive conversations”



Treating everyone with dignity and respect

In 2022, we launched the first global Gender Affirmation and Transitioning Guidance to make sure we had the systems in place to support colleagues who identify as Trans and/or non-binary, and provide an inclusive and supportive working environment in the office, in the field, in production facilities and while working from home.

The guidance was a global collaboration led by the Inclusion, Diversity and Equity (ID&E) Centre of Expertise in partnership with the 'Pride Community', our global LGBTQ+ network. It was reviewed and verified by external LGBTQ+ experts, Stonewall.



Read more at cococolaep.com/about-us/people/our-people

Our stakeholders continued

Our shareholders

Shareholders provide the equity capital for our business and hold management to account on financial performance and key environmental, social and governance (ESG) issues.

A comprehensive annual engagement plan includes:

AGM, roadshows, capital markets events, analyst meetings, results presentations and webcasts

Brokers appointed to provide advice on market conditions, and provide feedback on external communications

Shareholder-nominated Directors on Board in accordance with Shareholders' Agreement



Read about Board engagement with our shareholders on page 102

Engagement highlights in 2022:

Capital markets event attended by ~150 analysts, investors and potential investors

Reverting to two interim dividends for 2022, maintaining our dividend payout ratio of ~50% which resulted in record full year dividend per share

Impact/value created:

Shareholders create value for CCEP through voting at the AGM and continuing to invest in CCEP

CCEP creates value for shareholders by returning cash either by paying dividends or through share buybacks

Key concerns heard from our shareholders include:

Financial performance, commodity costs and inflationary pressures

Market dynamics such as consumer behaviour and supply chain challenges

ESG challenges and regulatory changes

What is measured and monitored?

Number of meetings and % of equity investors covered by these interactions

Analyst notes and equity investor perceptions of strategy

Principal risks:

Market, including changing consumer and channel trends

Economic and political conditions, including commodity price volatility

Packaging, climate change and water



Read more about our risks and mitigations on pages 64-71

Our franchisors

We conduct business primarily under agreements with franchisors who generally give us exclusive rights to make, sell and distribute beverages in approved packaging in specified territories.

Regular contact with franchisors includes:

Management contact at different functional levels such as public affairs, communications and sustainability, supply chain, sales and marketing

Ongoing dialogue with General Managers and regular top to top meetings

Inviting franchisors to present annual business plans to customers



Read about Board engagement with our franchisors on page 102

Engagement highlights in 2022:

TCCC Indonesia presented to the Board on marketing plans

Costa demonstrated packageless solutions to the Board

TCCC and other franchisors presented portfolio priorities and product launches at commercial, sales and country meetings

Impact/value created:

CCEP gains value from the exclusive rights given by franchisors to make, sell and distribute their products

CCEP creates value for franchisors by driving sales to customers so franchisors' drinks are available where and when consumers want them

Key concerns heard from our franchisors include:

Profitable growth and value share in our markets

Sustainable supply chains

What is measured and monitored?

Joint investment

Successful innovation

Category performance

Market share

Principal risks:

Misaligned incentives or strategy



Read more about our risks and mitigations on pages 64-71

Our stakeholders continued

Our consumers

Consumers drink the products we make, sell and distribute.

CCEP's ways of engaging with consumers include:

Collection of consumer insights from franchisors, customers or via dedicated research

Consumer labelling, social media, activation in store and day to day interaction via our sales teams when visiting outlets

Feedback from consumers on social media and via the consumer hotlines

[Read about Board engagement with our consumers on page 102](#)

Engagement highlights in 2022:

In store activations e.g. during Ramadan in Indonesia, Fanta at Halloween, Monster in Great Britain (GB), Coca-Cola for FIFA World Cup

Impact/value created:

Consumers create value when buying our products

CCEP creates value for consumers through providing a diverse portfolio of drinks that are high quality, safe and taste great with transparent labelling to help consumers make educated choices about nutrition and packaging

Key concerns heard from our consumers include:

Product quality and food safety

Environmental concerns relating to packaging

What is measured and monitored?

No and low-calorie drinks as a % of sales

% packaging that is 100% recyclable

Consumer complaints

Principal risks:

Product quality and safety

Consumer perception regarding plastic packaging and sugar

[Read more about our risks and mitigations on pages 64-71](#)

Our customers

Our customers sell our products to consumers.

Regular engagement with customers includes:

General Managers engaging with customers on strategy and planning and owning the customer relationship

Account managers' contact with customers on business development

Our sales teams calling on customers every day in the market

[Read about Board engagement with our customers on page 102](#)

Engagement highlights in 2022:

Dedicated customer showroom opened in France during September to present our marketing and commercial plans as well as our sustainability ambition and progress

Customer newsletters on sustainability, brand performance and innovation launched

Impact/value created:

Customers create value for CCEP by selling our products to consumers

CCEP creates value for customers through our customer centric operating model, portfolio diversity and quality of products and service

Key concerns heard from our customers include:

New packaging solutions

Product offers to meet new shopper and consumer trends

What is measured and monitored?

Volume and revenue growth

Customer big data and advanced analytics, e.g. NielsenIQ and IRI, measure brand/product performance and value creation

Advantage Group & Ipsos research (EU only) to evaluate customer satisfaction

Principal risks:

Pressure to promote healthy choices

Packaging

International buying groups and new routes to market

[Read more about our risks and mitigations on pages 64-71](#)

Case study Making our packs more inclusive with NaviLens



In 2022, our large Christmas can multipacks included NaviLens codes on the cardboard outers to help give partially sighted shoppers and those who have difficulty using traditional signage the opportunity to navigate their way around a shop to find their chosen purchases.

[Find out more at cocacolaep.com/annual-report/case-study/navilens](#)

Our stakeholders continued

Our suppliers

Our suppliers provide a wide range of commodities and services from ingredients, packaging, utilities, equipment, to facilities management, fleet, logistics and information technology.



Read more about our supply chain on pages 49 - 52

Processes to regularly engage with suppliers include:

Supplier relationship management programme through TCCC's procurement consortium

Partnering and collaborating with suppliers, in areas such as business continuity or sustainability, to foster strategic relationships



Read about Board engagement with our suppliers on page 102

Engagement highlights in 2022:

Annual supplier day

Developing new tethered closures with suppliers to make recycling more efficient as there is no cap left behind

Impact/value created:

Suppliers create value for CCEP by providing high quality, safe and sustainable products and services, and optimised supply chain and innovation partnerships

CCEP creates value for suppliers through long-term collaborative partnerships and provides support on sustainable practices and emission plans



Read more about our sustainability-linked supply chain finance programme on page 52

Key concerns heard from our suppliers include:

Exposure to variability in the market place such as pricing and consumer behaviours

Driving progress on sustainable supply chains

What is measured and monitored?

Quality standards and delivery times

TCCC audits to ensure adherence to Supplier Guiding Principles (SGPs) and Principles of Sustainable Agriculture (PSA)

Principal risks:

Rising costs

Varying availability of ingredients, labour, packaging (including rPET), energy and water

Potential supply chain disruption



Read more about our risks and mitigations on pages 64-71

Our communities

Communities are where we operate and where our employees live and work.



Read more about our communities on pages 56 - 57

Regular engagement with our communities include:

Promoting skills development and social inclusion, e.g. Gira Mujeres and collaborating with foodbanks

Protecting the local environment, e.g. water replenishment and litter clean up programmes

Supporting local communities, e.g. grassroots initiatives and disaster relief



Read about Board engagement with our communities on page 102

Engagement highlights in 2022:

Donated €250k and >36k unit cases of product to Red Cross in Ukraine and organised an employee donation campaign and support scheme for employees housing Ukrainian refugees

Support my Cause, an employee led initiative, expanded to API with first donation in Indonesia to Nurani Dunia Foundation which runs community growth programmes

Impact/value created:

Communities create value for CCEP through access to talented people, local water sources, connection with local policymakers and community groups

CCEP creates value for communities through access to employment, improving the local environment and investing in community causes

Key concerns heard in our communities include:

Unemployment

Environmental impact

What is measured and monitored?

Community investment contribution

Employee volunteering hours

Principal risks:

Public perception regarding plastic packaging and sugar

Reputational risk of not delivering against sustainability commitments



Read more about our risks and mitigations on pages 64-71

Section 172(1) statement from the Directors

During 2022, we acted in good faith to promote the long-term success of CCEP in our discussions and decision making for the benefit of CCEP's shareholders as a whole, and in doing so having regard to stakeholders and the matters set out in section 172 of the Companies Act, including:

The likely consequences of any decision in the long term

The Board recognises that their decision making will affect CCEP's long-term success. When taking decisions, particularly of strategic importance, the Board considers the likely consequences of any decision on CCEP's long-term, sustainable growth while endeavouring to balance the interests of all our stakeholders.

The interests of our people, and the need to foster business relationships with our key stakeholders

Our key stakeholders remain the same as last year, namely our people, shareholders, franchisors, suppliers, customers, consumers and communities. How CCEP has engaged with our stakeholders more generally is explained on pages 14-17. We identify our key stakeholder groups as those with significant interactions with our business model and that we impact in the course of our business operations. We describe how our business interacts with our stakeholders, and the impacts of these interactions, throughout this Integrated Report. The Board strives to gain stakeholder perspectives to inform its decision making through direct engagement, where feasible, as well as through regular communication with senior management. The Board also gains perspectives from senior management who sit on on CCEP's Digital Advisory Board and Indonesian Advisory Board.

The impact of the Company's operations on the community and the environment

We recognise that to deliver our strategy in a sustainable way, we need to consider the commercial, social and environmental impacts of our business. During the year, we have monitored, assessed and challenged CCEP's progress against our annual business plan and our sustainability action plan. Information on our sustainability action plan and how we are implementing recommendations from the Task Force on Climate-related Disclosures (TCFD) is on pages 26-63. Our governance framework guides the Board's decisions as set out on page 30.

The desirability of the Company maintaining a reputation for high standards of business conduct

Ensuring our business operates responsibly is fundamental to ensuring our long-term success. The Board assesses and monitors the Group's culture to ensure it aligns with the Group's purpose, values and strategy set by the Board and oversees a corporate governance framework as set out on page 97 that enables the right people to take the right decisions at the right time. This includes our Code of Conduct (CoC) and system of delegated authorities. Read our CoC at www.ccepcoke.online/code-of-conduct-policy.

The need to act fairly as between CCEP's shareholders

The Board supervises the profitable operation and development of CCEP to maximise its equity value over the long term, without regard to the individual interests of any shareholder. A minority of our Non-executive Directors (NEDs) were appointed by major shareholders of CCEP. However, each Director understands their responsibility under the Companies Act to act in a way that would promote the long-term success of the Company for all its stakeholders. During 2022, the CEO, CFO and, members of the Board and our Investor Relations team met with shareholders (see page 102 for more detail on our engagement with shareholders).



How the Board engaged with stakeholders and specific examples of key areas of focus and considerations affecting the Board's decision making process during 2022 are set out on pages 102-103 of the Corporate governance report

Going further on safety

CASE STUDY

Get home to what you love

We want everyone getting back home safe, every day, to what they love. This is the message we put at the heart of our international safety and wellbeing campaign run throughout April 2022. Colleagues across our business took part in a photoshoot, generating fantastic photos and messages showcasing what they love to get home to!

GET HOME TO WHAT YOU LOVE

Our leadership team said:

Damian
Gammell,
CEO

"How we work together and care for one another at CCEP sets us apart. Everyone should be able to feel safe – physically and mentally – in the workplace."



Read more at cocalaep.com/annual-report/case-study/people-safety



|| Safety is important so that my family at home feel calm when I'm at work. I wear safety shoes so I can play with my children when I get home ||

Ismail Yahya Putro
Syrup Operator, Bekasi 1

Our market drivers

Our business is affected by a range of market trends – from rapid acceleration towards digital platforms to macroeconomic impacts.

Our business model and culture enable us to adapt and thrive in a changing environment, while our strategy reflects both current and future dynamics.

Consumer trends

We constantly monitor consumer trends and react to the changing needs of our consumers.

Today, consumers demand more choice as they seek different drinks for different occasions. Consumer interest in health and wellness is a continuing trend evidenced by the demand for healthier alternatives, such as low and no sugar drinks.

During the COVID-19 pandemic, as well as choosing to shop more online, consumers also sought to create the away from home experience at home, and this trend has very much continued, requiring brands to offer the premium products they need to create these new occasions.

Strong brands supported by innovation is key to meeting changing consumer needs.



Read more in Forward on drinks
on pages 53-55

Macroeconomics

Geopolitical volatility, high inflation and increasing regulatory pressure related to climate change and packaging impacted our business in 2022 both directly and indirectly.

Despite these pressures, we delivered operating profit growth of 12.5% on a pro forma comparable and FX neutral basis by successfully navigating supply chain challenges, executing dynamic pricing strategies across our markets, and by delivering our ongoing cost saving and efficiency programmes.

Economic disruption and an inflationary environment also impact consumer sentiment, meaning affordability becomes increasingly important for some consumers. We are mindful of a more dynamic outlook as we move into the next financial year, but believe we are well placed within resilient categories to deliver our strategy and achieve sustainable and profitable growth.

Government commitments to new climate change and packaging-related regulations continue to impact our business. However, we continue to set our own ambitious sustainability targets, and are committed to delivering our business model sustainably.



Read more about our principal risks
on pages 64-71

Right:

Refillable glass bottle line at our Dongen production site in the Netherlands



Channel trends

Changes to routines and behaviours during the COVID-19 pandemic accelerated the digital evolution and adoption of new digital channels, with both consumers and customers seeking to do more online, for instance consumers shifting to e-grocery from traditional retail.

Accelerated growth in digital channels is putting pressure on traditional retail, while other consumer trends, such as creating the away from home experience at home, means consumption has shifted between channels.

Customer collaboration and joint value creation is key to evolving with these changing channel trends and achieving profitable growth.

Consumer packaged goods evolution

As consumer and channel trends are changing, technology, and specifically data analytics capabilities, are advancing. This means all consumer packaged goods companies are having to adapt to remain competitive.

We continue to invest in our journey towards becoming the world's most digitised bottler, and in core capabilities such as revenue growth and key account management. We moved towards a revenue and margin growth management focus in 2022. This will help us to make the right decisions and drive profitable growth.

Our strategy

Today we are a bigger, stronger, more diverse and more resilient business. We are the market leader in a profitable and growing soft drinks category that is worth approximately €130 billion across our markets. Our goal is to outperform the market, creating value for our customers and delivering growth for our shareholders while supporting our people and communities.

CCEP has already come a long way. And with great people, great service, great beverages, done sustainably, we're determined to go even further together.

Find out more at
cocacolaep.com/about-us



Great people

We take care of the 33,000 people who make our business successful, and the suppliers, customers and communities we support. We want CCEP to be a great place to work where people can grow, be happy and be well in a safe, diverse and inclusive workplace.



Great service

We support the growth of our 2 million customers through the quality of the service we provide, our understanding of their businesses, the strength of our salesforce and the value our products create. Whether a grocer, a restaurant, a café bar or a wholesaler, we're committed to delivering the best possible customer experience by making it easy to do business with us.

At CCEP, we're investing now in the ideas that will change our business in the future, and using the latest technology to better serve our customers and reach more consumers.



Great beverages

Our diverse portfolio is built on our core brands like Coca-Cola, Fanta, Sprite, Fuze Tea and Monster, as well as targeted expansion into categories like coffee and alcohol.

At CCEP, we're bringing new products to a new generation of consumers based on clear insights, while developing the classic brands our consumers know and love.

We're reducing the sugar in our drinks and offering low and no sugar options - giving consumers even more choice.



Done sustainably

Our ambition to create a better future, for people and the planet, sits at the heart of how we do business, and the decisions we take. Central to this is our new Group wide target to reach Net Zero by 2040 which we recently submitted to the SBTi for their approval.

We're taking the right steps to stop our packaging ending up as litter or in the oceans. We want every bottle and can to be recycled or reused.

As a local business serving customers and consumers in 29 markets, we take great pride in giving back to our communities.

We're partnering with the smartest people to find new ways of sustainably making, selling and distributing our products.

Delivering on our strategy will create:

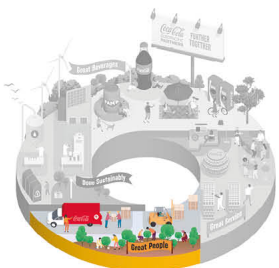
- ✓ A healthy, safe and engaged workforce
- ✓ Targeted diversification
- ✓ Accelerated top line^{(A)(D)} (~4%) and bottom line^(B,D) (~7%) growth
- ✓ Strong free cash flow^{(C)(D)} (~€1.7 billion per annum)
- ✓ A more sustainable licence to operate
- ✓ Even greater relevance with TCCC and our other brand partners
- ✓ Sustainable value for all stakeholders

(A) Mid-term comparable and FX neutral revenue growth
(B) Mid-term comparable and FX neutral operating profit growth
(C) Mid-term free cash flow after ~4-5% capital expenditure as a % of revenue, excluding payments of principal on lease obligations.

(D) Non-GAAP performance measure. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures.

Our strategy continued

Great people



Great people

We want CCEP to be a great place to work, with a strong and inspiring workplace culture.

Why is this a key focus area for CCEP?

Our talented and engaged workforce drive our success. We're making CCEP more diverse, inclusive and welcoming – so it's a great place to work, where everyone can share their ideas and be empowered to collaborate, win together and grow.

Our ambition:

People who can deliver success for CCEP

A safe, open, diverse and inclusive workplace

Winning capabilities, agility and a performance mindset

Measuring success:

Top quartile engagement score

~40% of management roles held by women

Included on Bloomberg's 2023 Gender Equality Index for third consecutive year

Safety incident rates halved since merger

2022 achievements

The wellbeing and safety of our colleagues remains our number one priority at CCEP, and our 'Get home to what you love' campaign really brought the importance of safety to life across our businesses.

We launched the Career Hub in Europe, connecting our internal systems for learning and performance, giving employees personalised recommendations, through skill matching, that help them grow their careers. This will be rolled out to API in 2023.

Our credentials are also being recognised externally. In 2022, we were awarded Gold at the UK Employee Experience Awards in recognition of the digital technologies we use across our workplace, and we were named Employer of Choice in New Zealand, the only company to receive the Gold award in three consecutive years.

Case study | Solid results from our first global digital engagement survey

We had strong participation in our first global digital engagement survey with a stable engagement score overall, and rich feedback (21.5k comments). This score continues to position us ahead of our benchmark group.

80%

response rate (+10% vs 2021)

77

engagement score, stable vs 2021 (+2 vs benchmark)



The plan for the year ahead

To continue to offer a workplace where our people feel they belong, and where our inclusive culture drives innovation and performance.

Key goals

Accelerate progress on inclusion and diversity

Ensure the right leaders are in the right roles

Continue building a culture of sustainability

Invest in the future workforce and digital tools

"

We will protect our people, invest in their talent and capabilities, and stand strong on our social and inclusion commitments."

Véronique Vuillod

Chief People and Culture Officer



Read more about our people on pages 58-63

Our strategy continued

Great service



Great service

We want to win with our customers and maintain high customer service levels.

Why is this a key focus area for CCEP?

At CCEP, we're working to deliver great service to customers. Driving growth, creating value and delivering results through close support and collaboration. Identifying new channels and implementing transformative ways to do business. We have built long-standing and supportive relationships with our customers and we continue to invest in our capabilities and supply chain to provide even better service and drive joint value creation.

Our ambition:

Strong and supportive customer service levels
Easy to do business with
Known for world class execution
Agile and flexible
Great digital tools enabled by data and analytics
Well invested supply chain and optimised portfolio

Measuring success:

#1 value creator for our customers as measured by Nielsen
Great customer service levels (~90%)
Unrivalled customer coverage (~2m)
Biggest sales force in fast moving consumer goods (FMCG) (~10k)
~1.5m coolers in market
85% of sales volume captured digitally
Total SKUs reduced by 30% (2022 vs 2020)



2022 achievements

Most importantly, we continued supporting our customers through the reopening of HoReCa and maintained high customer service levels.

In Europe, the Netherlands were runners up in the annual global Coca-Cola bottler competition, the Candler Cup, recognising world class customer service and execution.

In Indonesia, we had a record Ramadan period with our biggest ever activation. More focus on core sparkling and RTD tea allowed us to manage our supply chain more efficiently and deliver even better service to our customers.

We are accelerating our digital transformation. In 2022, we hit record revenues with our B2B platforms and grew our online market share by 80 basis points (bps). We continued to invest in our digital workplace tools and other technologies to improve customer service and productivity across our end to end supply chain.



Find out more at
cocacolaep.com/about-us/partnerships

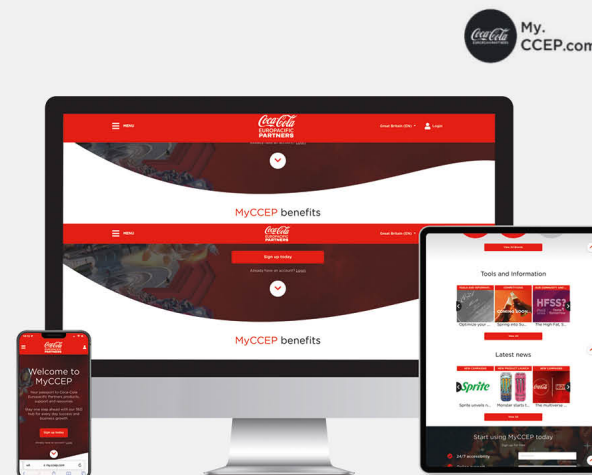
Case study | Smart execution for our customers through B2B platforms

To make it even easier for our customers and wholesalers to do business with us, we've been accelerating our B2B platforms.

~€2bn

of revenue processed through our winning portals in 2022, +50% vs 2021.

We continue to develop the existing functionality to drive ease of ordering, profitable basket growth and account management services.



The plan for the year ahead

To continue to provide an unrivalled customer experience and invest in the capabilities we know we need to win in the future.

Key goals

Focus on joint profit pools and joint value creation

Maintain leading customer service and support growth through our supply chain and technology

Continue to build an innovative culture through our digital tools and CCEP Ventures



We need to grow our capabilities ahead of the opportunities, putting the customer first and driving joint value creation."

José Antonio Echeverría

Customer Service and Supply Chain Officer

Our strategy continued

Great beverages



Great beverages

We are extremely privileged to make, move and sell the best beverages in the world.

Why is this a key focus area for CCEP?

At CCEP, we're focused on our great beverages. Working with our partners to expand our portfolio by growing and strengthening our core brands, while launching and scaling new products. Innovating to meet changing consumer needs and become the world's most digitised bottler.

Our ambition:

Category leadership with great tasting drinks for every occasion, and brands people love
Broad price pack architecture
Strong and aligned partnerships with brand partners
Channel diversification

Measuring success:

Solid sparkling share of ~58%
Online share greater than in store share
We offer choice: in Europe 48.8% of volume sold in 2022 was no or low-calorie

2022 achievements

We aim to meet consumer needs through our diversified portfolio, working closely alongside TCCC and our other brand partners. We continued to grow ahead of the market and gained 10 bps of value share.

Coca-Cola Zero Sugar continued to grow strongly across all of our markets with volumes up 10.0%

What The Fanta created great excitement for the brand, with volumes up 15.5%, also helped by the rebound of the AFH channel

Energy volumes +18.5% supported by solid distribution and exciting innovation from Monster

Fuze Tea volumes +28.0% driven by further value share gains in Europe

Case study | Great results from Coca-Cola Zero Sugar relaunch

Throughout 2021, we rolled out our new taste and new look campaign across our markets for Coca-Cola Zero Sugar. This has been a great success, driving our strong volume performance in 2022 across all markets.

+50bps

value share gains in Europe

+110bps

value share gains in Australia



The plan for the year ahead

At least maintain or grow our share of the category driven by growth in core brands and selected expansion into newer categories.

Key goals

Provide choice within colas and flavours, leading with low and no sugar and flavour extensions

Drive growth in energy through innovation, sugar free and core

Continue building leadership in RTD tea, and scale presence with Costa Coffee

Together with TCCC and our other partners, we are proud to have a market leading position selling the world's best NARTD brands."

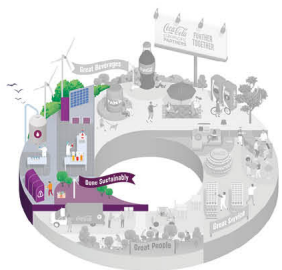
Stephen Lusk
Chief Commercial Officer



Find out more at
cocacolaep.com/about-us/products

Our strategy continued

Done sustainably



Done sustainably

This is Forward, our sustainability action plan, sits at the heart of our long-term business strategy.

Why is this a key focus area for CCEP?

We want to deliver sustainable growth, create value for all our stakeholders and build a better future for our business, our communities and the planet.

From our suppliers and investors, to the communities where we operate and the people who make and sell our products, our stakeholders have high expectations of us to address many of today's societal and environmental challenges. Their views and priorities play an integral role in the development of our sustainability action plan.

Our ambition:

Climate action

Sustainable packaging

Water stewardship

Promoting the wellbeing of our people and those working across our value chain

Offering consumers more choice, with less sugar

Contributing to our local communities

Measuring success:

Achieved >50% rPET target four years early in Europe^(A)

Achieved 100% renewable electricity purchase in Europe and New Zealand

Recognised by CDP for the seventh year running, achieving a double 'A' score for climate and water in 2022

Included in the 2022 Dow Jones Sustainability Index for the seventh consecutive year

2022 achievements

Some of our proudest achievements in 2022 include:

We reduced emissions across our value chain by 9.4% (versus 2019), working towards our science based GHG emissions reduction target of a 30% absolute reduction by 2030

By the end of 2022, four more of our production facilities became carbon neutral, totalling six to date

We reviewed and updated This is Forward to cover all of our markets in Europe and API

We established a sustainability-linked supply chain finance programme

We invested in Australia and Indonesia to help build two new PET recycling plants

Find out more at coccolaep.com/sustainability

(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Case study | Creating the largest fleet of electric trucks in Belgium

We are now using 30 electric trucks to make last mile deliveries to local customers in Belgium. This fleet will cover about 40% of our local delivery routes and each truck has access to on-site charging stations that are powered by 100% renewable electricity.

75%

saving in CO₂e emissions per year compared to diesel trucks.

The investment is a further step in our ambition to reduce emissions across our entire value chain.



The plan for the year ahead

Continue to build a stronger and even more sustainable business for the future

Key goals

Focus on our new society goals to drive diversity and support 500,000 people facing barriers in the labour market by 2030

Conduct a biodiversity and deforestation risk assessment

Continue to develop our carbon reduction roadmaps



We continued to make progress on our ambition to reach Net Zero emissions by 2040 and invest in making our packaging more sustainable."

Ana Callol

Chief Public Affairs, Communications and Sustainability Officer

Taking action on sustainability

This is Forward

This is Forward is our sustainability action plan. It sets out the actions we are taking on six key social and environmental topics, where we know we can make a significant difference on areas our stakeholders want us to prioritise.

In 2022, we reviewed and updated This is Forward to cover all of our markets in Europe and API. It provides an action plan that we will work towards across 29 markets, and includes ambitious, time-bound sustainability commitments.

It includes our updated short-term and long-term absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our entire value chain, which we recently submitted to the SBTi for their approval. Our commitments also align with the targets which underpin the United Nations Sustainable Development Goals (SDGs).

This is Forward was first launched in 2017 and we have made strong progress since then. However, the social and environmental challenges we face, including climate change and the plastic waste crisis, are greater than ever.

Supporting principles

This is Forward is closely aligned with TCCC's global sustainability ambitions and is underpinned by a set of supporting principles that reflect our commitment to:

- Responsible advertising and marketing – promoting our products responsibly through our responsible sales and marketing principles.
- Transparency and disclosure – reporting our progress on an annual basis and disclosing information about our GHG emissions and the climate risks we face.
- Supporting our communities through employee volunteering – enabling our employees to spend up to two working days per year volunteering for local charities and community causes.
- Supporting innovation and new technologies, through our investment engine CCEP Ventures - helping to fund and foster transformative solutions to the biggest sustainability challenges we face.
- Powerful partnerships with brand owners to inspire and engage.



Read more about our commitments
at cocaolaep.com/sustainability/this-is-forward

This is Forward – CCEP's sustainability action plan



Forward on climate

See pages 38-41



Forward on packaging

See pages 42-45



Forward on water

See pages 46-48



Forward on supply chain

See pages 49-52



Forward on drinks

See pages 53-55



Forward on society







communities
See pages 56-57

people
See pages 58-63



This is Forward - our sustainability action plan

Our headline commitments

| Pillar | Commitment | Target |
|--|--|--|
| Forward on climate  | Net Zero | Net Zero GHG emissions (Scope 1, 2 and 3) by 2040 ^(A) |
| | GHG emissions reduction | Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030 ^(A) |
| | Renewable electricity | Use 100% renewable electricity across all markets by 2030 |
| | Supplier engagement — GHG emissions | 100% of carbon strategic suppliers ^(B) to set science based targets by 2023 (Europe) and 2025 (API) |
| | Supplier engagement — renewable electricity | 100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and 2030 (API) |
| Forward on packaging  | Design | 100% of our primary packaging to be recyclable by 2025 |
| | Recycled plastic | 50% recycled plastic in our PET bottles by 2023 (Europe) and 2025 (API) |
| | Virgin plastic | Stop using oil-based virgin plastic in our bottles by 2030 |
| | Collection | Collect and recycle a bottle or a can for each one we sell by 2030 |
| Forward on water  | Water stewardship | Set context based water targets at all production facilities ^(C) |
| | Replenish | Replenish 100% of water we use in our beverages |
| | Regenerative water use | 100% regenerative water use in leadership locations ^(D) by 2030 |
| Forward on supply chain  | Sustainable sourcing | 100% of main agricultural ingredients and raw materials sourced sustainably |
| | Human rights | 100% of suppliers to be covered by our Supplier Guiding Principles – including sustainability, ethics and human rights |
| Forward on drinks  | Sugar reduction | Reduce sugar: by 10% in Europe by 2025 ^(E) , by 20% in New Zealand by 2025 ^(F) , by 25% in Australia by 2025 ^(F) , by 35% in Indonesia by 2025 ^(F) |
| | Low and no calorie | Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025) ^(G) |
| Forward on society  | Gender diversity management | 45% of management positions to be held by women by 2030 |
| | Gender diversity | A third of our workforce to be women by 2030 |
| | Disabilities | 10% of our workforce represented by people with disabilities by 2030 |
| | Supporting skills development | Support the skills development of 500,000 people facing barriers in the labour market by 2030 |

Note: For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre

(A) New Group wide commitment versus 2019. Submitted SBTi target and awaiting approval. We anticipate that the SBTi will complete its review by the end of 2023.

(B) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (approximately 200 suppliers in total).

(C) Non-alcoholic ready to drink (NARTD) only.

(D) NARTD production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.

(E) Reduction in average sugar per litre in soft drinks portfolio versus 2019. Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice.

(F) Reduction in average sugar per litre in NARTD portfolio versus 2015. Including dairy. Does not include coffee, alcohol, beer or freestyle.

(G) Does not include coffee, alcohol, beer or Freestyle. Low calorie beverages ≤20kcal/100ml. Zero calorie beverages <4kcal/100ml.

➤ See more details on our key sustainability achievements on pages 249–252

Taking action on sustainability

Task Force on Climate-related Financial Disclosures (TCFD)



How we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures

CCEP is committed to being transparent about the effects of climate change, and the risks and opportunities that might impact our business, and is implementing the recommendations from the TCFD. The table below outlines our climate-related financial disclosures across the four pillars and 11 recommended disclosures in the TCFD October 2021 updated guidance. Where our disclosures are not consistent with TCFD

Recommendations and Recommended Disclosures, the reasons for this and steps we are taking are set out in this report. We expect to move to full alignment with TCFD Recommendations and Recommended Disclosures within the medium term. Modelling was completed as follows:

- Risks and opportunities are disclosed under three potential emission pathways: >4°C, +2.5°C and +1.5°C.
- Scenarios have been modelled on a gross-risk basis, assuming no mitigating actions or progress on our stated This is Forward

sustainability action plan, and assumes that CCEP's operational footprint, product portfolio and GHG emissions remains static. Specific mitigating actions and related investments relating to physical and transition risks are listed separately on pages 34 and 36, respectively.

- Our This is Forward sustainability action plan, including our 2030 absolute GHG emissions reduction commitment and Net Zero 2040 target^(A) are designed to help us mitigate climate-related risks.

- Financial scenario analysis of emission pathways has been estimated over the short term (five years). We expect that more significant impacts of climate change would be seen over the medium term (2030) and long term (2040 and beyond). Medium-term and long-term physical and transition risks have been disclosed on a qualitative basis only.
- This work should not be viewed as a forecast, and will evolve in the coming years as we refine these scenarios.

TCFD alignment overview

| Recommendation | Recommended disclosures and disclosure level | References and notes |
|----------------------------|--|---|
| Governance | Disclose the organisation's governance around climate-related risks and opportunities | <ul style="list-style-type: none"> a. Describe the Board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities |
| Strategy | Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material | <ul style="list-style-type: none"> a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario |
| Risk management | Disclose how the organisation identifies, assesses, and manages climate-related risks | <ul style="list-style-type: none"> a. Describe the organisation's processes for identifying and assessing climate-related risks b. Describe the organisation's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management |
| Metrics and targets | Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material | <ul style="list-style-type: none"> a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets |

(A) New Group wide short-term and long-term absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our entire value chain, have been submitted to the SBTi for their approval. We anticipate that the SBTi will complete its review by the end of 2023.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



The world is at a critical point. Climate change – caused by GHG emissions – is leading to an increase in global temperature and extreme weather events around the world.

We are committed to addressing climate change by decarbonising our business. We recognise that our long-term success will depend on the social and environmental sustainability of our operations, the resilience of our supply chain and our ability to manage the impact of climate change on our business model and performance.



Above: Solar panel installation at our production facility in Cibitung, Indonesia

Governance

Board-level governance

Our Board of Directors has primary oversight of climate-related risks and opportunities. The Board is supported in its oversight and with driving CCEP's climate agenda by its Committees and predominantly by the ESG Committee and Audit Committee as outlined in the TCFD governance framework (see page 30).

There is close collaboration across these Committees due to the role that both play in ESG reporting, disclosure and assurance. A joint meeting of the ESG and Audit Committees was held in October 2022 to discuss these matters, including this TCFD disclosure.

The Board also receives annual training and deep dives on climate-related issues which in 2022 included a session focused solely on risks, including climate risks. Climate risks and opportunities are also considered as part of the Board's annual strategy session, held each September, with progress updates to the Board throughout the year.

At the end of 2022, CCEP's ESG Committee recommended the Board approval of updated short-term and long-term absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our entire value chain. The following targets have been submitted to the SBTi for their approval:

- Short-term target to reduce our absolute emissions by 30% by 2030 (versus 2019)
- Long-term target to reach Net Zero by 2040

We anticipate that the SBTi will complete its review by the end of 2023.

The Committees are supported by management as outlined in the TCFD governance framework and by the management-level governance section.

Management-level governance

Ownership and governance for sustainability-related risks and opportunities and driving progress towards our commitments is embedded throughout our business. Risk management is a key responsibility for all senior leadership who are assigned ownership of specific risks, including climate-related risks.

Each principal risk is assigned an owner at leadership and operational management level. Risks are assessed periodically, the mitigations determined and their effectiveness evaluated. A quarterly risk report informs leadership about risk developments and supports their business decision making.

Key executive leadership and management with responsibility for climate-related issues are outlined in the TCFD governance framework. The main discussion forum for the Executive Leadership Team (ELT) on climate matters is the Sustainability Steering Committee. Multiple working groups focused on the strategy, execution and delivery of CCEP's This is Forward sustainability action plan have been established. Groups meet regularly and items that require decision or approval are raised with the Sustainability Steering Committee as appropriate.

[See our TCFD governance framework on page 30](#)

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



TCFD Governance Framework

The Board

Met six times in 2022

- Has primary oversight of climate-related risks and opportunities
- Receives feedback on climate-related issues from Committee Chairs and via CEO Report

ESG Committee

Met five times in 2022

- Responsible for overseeing performance against This is Forward strategy and goals
- Reviews environmental and social related risks and opportunities, including climate-related risks and GHG emissions reduction targets
- Oversees ESG reporting, disclosure and assurance

Nomination Committee

Met five times in 2022

- Reviews the size, structure, composition and skills of the Board to ensure it remains effective
- Ensures there is sufficient expertise on the Board in areas such as risk and climate

Remuneration Committee

Met six times in 2022

- Aligns the Group's remuneration policy to reinforce the achievement of sustainability aims
- Oversees performance outcomes from the Long-Term Incentive Plan (LTIP), which has a 15% performance weighting allocated to the reduction of GHG emissions

Audit Committee

Met nine times in 2022

- Ensures that climate-related risks and opportunities are managed across the Group
- Oversees risk management process, including annual Enterprise Risk Assessment to identify principal risks including climate risk
- Oversees CCEP's financial and reporting obligations, including ESG-related reporting
- Has oversight over sustainability metrics for capital expenditure proposals

Executive Leadership Team (ELT)

Meets regularly throughout the year

Climate responsibility lies with Chief Executive Officer, Chief Customer Service and Supply Chain Officer and Chief Public Affairs, Communications and Sustainability Officer who are responsible for providing management updates on climate-related topics to the ESG Committee

Sustainability Steering Committee

Meets at least quarterly. Includes ELT members

- Chief Executive Officer
- Chief Financial Officer
- General Counsel and Company Secretary
- Chief Customer Service and Supply Chain Officer
- Chief Commercial Officer
- Chief Integration Officer
- Chief Public Affairs, Communications and Sustainability Officer

Provides opportunity to review:

- This is Forward targets and our progress against these
- Climate-related risks and scenario analysis — including TCFD

- Outputs raised as required to ESG Committee (including on climate topics)
- 2022 topics included approval of This is Forward commitments, SBTi-aligned GHG reduction targets, and packaging strategy

Compliance and Risk Committee (CRC)

Meets every quarter

- Management committee chaired by the Chief Compliance Officer
- Reviews risk developments, including climate change risks and opportunities

Sustainable Packaging Office (SPO)

- Overseen by Chief Public Affairs, Communications and Sustainability Officer and VP Sustainability
- Responsible for ensuring a sustainable packaging strategy can be implemented across our business, including pack mix, recycled content and improving packaging collection

TCFD and ESG Disclosure group

- Overseen by General Counsel and Company Secretary and VP Sustainability
- Oversight of our work on TCFD and climate-related risks, as well as our broader ESG reporting and disclosure approach

Other working groups (developed as required)

- Overseen by Chief Public Affairs, Communications and Sustainability Officer and VP Sustainability. Includes:
- SBTi GHG emissions reduction targets
- Carbon reduction roadmaps
- Assessment of our internal carbon pricing strategy

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Advisory

We engage regularly with a wide range of stakeholders on ESG matters. Our stakeholders have high expectations of us to address many of today's societal and environmental challenges. They are part of our business and play a vital role in our success at every stage in our value chain. From the suppliers that provide our raw materials, to the communities where we operate and the people who make and sell our products, our stakeholders' views and priorities play an integral role in the development of our This is Forward sustainability action plan.

We also continue to respond to feedback from our stakeholders to make progress on key sustainability issues, and ensure that our reporting and disclosure meets their expectations. In 2022, we engaged with colleagues across our European and API markets, and with TCCC, to explore how we align our sustainability commitments, integrate existing market level targets where relevant and evolve our This is Forward action plan to cover our entire business, including API following the Acquisition in 2021.



Read more about our stakeholders
on pages 14-17

Strategy

Climate-related risk has been one of CCEP's principal risks for several years, and there is an increasing likelihood of impact to our current business model unless we take mitigating actions. Climate risk is covered by our risk management framework and follows the same risk management approach as outlined on pages 64 and 65. The loss impact types and impacts from climate risk on our business objectives are highlighted in the Risk section of this report (see Principal risks table on pages 66 to 71).

We have adopted the use of science based climate scenario modelling, used alongside internal and insurance data to obtain regional analysis of various climate scenarios. This helps us make informed decisions and improves our understanding of the potential climate vulnerabilities in our operations and our value chain. This data and resulting analysis is shared across our business, supporting climate resilience across our planning and operations.

There is no one single emission pathway scenario that underpins our business and financial planning. Our scenario analysis is designed to inform management's understanding of possible risks and opportunities. Scenarios are not intended to be predictions of likely future events or outcomes and, therefore, are not the basis for our operating plans and financial statements.

In 2022, we partnered with Risilience, a specialist risk consultancy which utilises technology pioneered by the Centre for Risk Studies at the University of Cambridge Judge Business School. In partnership with Risilience, we have developed a digital twin platform, enabling us to model physical and transition risks across our value chain over a 20-30 year timeline, in line with various warming scenarios.

We have also worked with external physical climate specialists Marsh Advisory to establish how climate change will impact the frequency and severity of climate-related weather events on our manufacturing and operations, under RCP 2.6 and 8.5 scenarios (~2.0 °C and ~4.3°C emissions pathways respectively). This covers all major climate-induced threats (coastal inundation, river flooding, surface water flooding, extreme heat, extreme wind, wildfire, freeze-thaw and drought-driven soil movement) through to 2100.

Working with Risilience and Marsh enables us to quantify our exposure and potential financial impacts from climate change events for different emission pathways.

We continue to mature our risk management framework, as we start to use AI risk sensing techniques to identify emerging risks including those caused by climate change.

We aim to mitigate many climate-related regulatory risks through ongoing progress against our climate-related goals, including reducing our overall emissions.

We work closely with TCCC to assess climate-related risks and opportunities, driving innovation as a system to meet consumer needs for more sustainable products and combat climate change.

The learnings from these exercises helps to inform our strategic business planning and investment decisions and support delivery of our climate targets. Additionally, we utilise a range of sustainability performance indicators to track our performance across areas like water, GHG emissions and packaging at various levels of the business to monitor our performance and identify improvement opportunities.

We identify opportunities that can help us deliver our This is Forward commitments, and our GHG emissions reduction targets, as part of our business planning cycles. For example, between 2020 and 2022, we invested over €300 million to support the decarbonisation of our business.

A proportion of this investment helped us accelerate our use of recycled PET (rPET) resulting in us achieving our >50% rPET target four years early in Europe^(A). Recycled PET also provides CCEP with a significant opportunity to increase our recycled content level in specific countries to mitigate potential taxes, and could help protect us against potential new taxation, marketing restrictions and bans on single use plastic bottles which do not contain recycled plastic.

As consumers become more environmentally conscious we are aiming to capture this opportunity by eliminating the use of oil-based virgin plastic in our bottles by 2030. In 2022 44.7% of the PET bottles we sold were 100% rPET bottles (Europe 54.0%; API 25.8%).

Through our scenario analysis to assess transition risks we are able to model risks, strengthen our resilience and capitalise on opportunities that could develop as society transitions to a low-carbon economy. The greatest risks and opportunities were found to be linked to packaging across policy, market and reputation risks. Through our SPO, we continue to monitor risks and opportunities linked to various packaging models and regulations, including possible strategies to maximise return on investments and develop resilience via a diverse packaging portfolio.

The adoption of energy and water efficiency measures across our manufacturing operations also provides an opportunity for our business. In 2022, we invested ~€24.8 million in energy, logistics and carbon-saving technologies. We estimate that this could save ~9,000 MWh, and ~30,000 tonnes of CO₂e per year. We estimate that these investments could help us avoid annual electricity and natural gas costs of approximately €1-1.2 million per year. We also piloted an internal price on carbon in Europe and proposed a preliminary internal carbon pricing level of €100/tCO₂e to influence strategic business decisions.

The next phase of our climate action plan will be supported by additional investment which will provide targeted financial support to decarbonise our business. We aim to finalise this climate investment plan as part of our 2023 financial long-range planning cycle (2024-2026) in line with our stated mid-term financial objectives.

We believe we have a considerable measure of resilience, built up through this analysis and careful planning in our supply chain, commercial and procurement functions.

The impact of climate change is not expected to be material on the going concern period and the viability of the Group over the next three years. This is reflected in our viability statement on page 72.

(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Risk management

Approach to climate scenario analysis

Our scenario analysis was built together with Resilience, by developing a digital twin model of CCEP. This used data from CCEP's financial forecasts, operational footprint, supply chain information, product portfolio and environmental data.

We then modelled scenarios under different climate emission pathways. These pathways were defined by assumptions about policy change, energy outlooks, technology innovation, and global temperature change, underpinned by the shared socioeconomic pathways (SSPs) which are widely used, including in the Intergovernmental Panel on Climate Change (IPCC) assessment reports.

This physical climate materiality assessment is an important step to inform CCEP's climate resilience planning. Higher risk sites will be furnished with operational adaptation plans and risk engineering improvements to mitigate against damage and business interruption.

Assessing physical and transition risks and opportunities

We assessed physical and transition risks and opportunities in the short (five years), medium (2030) and long term (2040 and beyond). This is in line with a slight extension of our business planning timeframes, our 2030 GHG emissions reduction target, and our long-term 2040 Net Zero target.

The time horizon used for our short-term financial impact assessment is five years, during which we can influence outcomes through strategic, capital allocation, commercial and operational decisions. Due to the number of variables and current constraints of our climate risk scenario analysis, financial impact estimates have limitations beyond the short term. Beyond five years, there is significant uncertainty around the financial impact of climate-related risks and opportunities, therefore we have only assessed the financial impact on this time horizon.

We also performed a high-level review of how CCEP may be impacted by climate change over the medium and long term. We are using scenario analysis on a non-financial basis to help us understand where risks and opportunities are most likely to materialise, to identify trends, and to integrate them into our strategy.

Out of the risks and opportunities we assessed, there are seven risks (three physical, four transition) which we believe are significant. Some risks (e.g. exposure to litigation or investor market risk) were assessed in detail, but are not currently deemed to be significant. We will continue to monitor and refine our modelling of all climate-related risks and opportunities.

Planned future mitigating actions, including those to deliver our short-term and long-term GHG emissions reduction targets, have not been taken into consideration in the scenario analysis. We considered the materiality of risks on a "gross risk" basis, not taking into account relevant risk mitigations and any opportunities that may be linked to those risks.

We have grouped the potential five-year discounted cash flow at risk estimations into "low", "medium" and "high" bands. Each opportunity and risk threat type was assessed in isolation and independently of one another. These bands are based on a five percent profit before tax estimate on a five year cumulative basis.

We plan to utilise this scenario modelling and apply relevant learnings as we continue to develop and refine our carbon reduction roadmaps. This will help increase the resilience of our carbon reduction plans and our wider business strategy by ensuring we fully consider the impact of transitioning to a low-carbon economy, particularly over the medium to long term.

| Emissions pathway | >4°C emissions pathway | +2.5°C emissions pathway | +1.5°C emissions pathway |
|--------------------------------------|--|---|---|
| SSP | No Policy SSP 5–8.5 | Stated Policy SSP 2–4.5 | Paris Ambition SSP 1–1.9 |
| Temperature rise by ≈2100 | >4°C | +2.5°C | +1.5°C |
| Global CO ₂ emissions | 200% by 2100 | ~75% by 2100 | Net Zero by 2050 |
| Global action against climate change | Few or no steps taken to limit emissions. Current GHG emissions levels roughly double by 2050. The global economy is fuelled by exploiting fossil fuels and energy-intensive lifestyles. | Reliance on existing/ planned policies (not commitments). GHG emissions plateau around current levels before starting to fall mid-century, but do not reach Net Zero by 2100. | Immediate and coordinated action to curb emissions. Societies switch to more sustainable practices. Extreme weather is more common than today, but the world has avoided the worst impacts of climate change. |
| Likelihood | Low | High | Low |

| Scope and methodology to assess key climate-related risks and opportunities | | |
|---|---|---|
| | Physical | Transition |
| What are physical and transition risks and opportunities? | Includes risk of both acute weather events (e.g. floods) and chronic long-term climate shifts (e.g. rising sea levels). Acute physical risks are already occurring – however, the frequency and severity of these is expected to increase. | These are risks and opportunities that could occur while transitioning to a lower carbon economy. The level of impact depends on the nature and speed of the transition. The timing of transitional risks is uncertain, but they are more likely to occur in the short to medium term. Opportunities include consumer trends shifting towards products that have lower emissions and are less water and resource intensive. |
| CCEP Scope | <ul style="list-style-type: none"> CCEP sites and operations Key areas of our supply chain Downstream products | |
| Quantification | Assessed the directional cumulative five-year discounted cash flow at risk (assuming no mitigation). This was completed independently per risk type, including operational disruption and asset damage (physical): loss of revenue, increased cost implications (transition). | |

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Physical risk

We modelled how extreme weather events and chronic changes to weather patterns could have a direct physical impact on our business or our supply chain. Based on this analysis, the potential risk is highest from an increase in drought/water stress and an increase in heatwaves both of which could cause disruption to our operations and key suppliers.

Short-term (five years) cumulative gross risk financial impact estimates (assuming no mitigation)

Five-year discounted cash flow at risk ● Low < €350m ● Medium €350m–€700m ● High >€700m

| Physical risks | What could be expected | Short-term cumulative gross risk - Five-year discounted cash flow (assuming no mitigation) | | |
|--|---|---|--------------------------|--------------------------|
| | | >4°C emissions pathway | +2.5°C emissions pathway | +1.5°C emissions pathway |
| Extreme weather events could cause disruption to facilities and logistics routes | Increasing severity and frequency of extreme weather events, such as floods, extreme heatwaves, windstorms or freezing, exposes us to the risk of our sites being damaged and/or key transportation routes being impacted. | ● Low <ul style="list-style-type: none"> Acute weather events such as extreme heat or flooding could limit our ability to produce or distribute our products. The highest level of increased physical risk could come from extreme heat, impacting Australia and Spain over the next five years. Insurance premiums could increase to cover such events. | ● Low | ● Low |
| Increasing water stress or water scarcity | Drought, causing an increase in water scarcity and a deterioration in the quality of available water sources in our territories, even if temporary, could result in increased production costs or capacity constraints, which could adversely affect our ability to produce and sell our beverages. | ● Low <ul style="list-style-type: none"> 24 out of our 66 NARTD production facilities are located in areas of baseline water stress, based on WRI Aqueduct mapping. We have experienced impacts from drought at several of our sites in prior years. A limited increased risk could occur at our sites in both Europe and API in the near-term. This risk marginally increases under the >4°C and +2.5°C warming scenarios. | ● Low | ● Low |
| Changes to weather and precipitation patterns could cause disruption to supply of ingredients | Decreased agricultural productivity in some regions of the world as a result of changing weather patterns may impact the yield and/or quality of key raw ingredients (e.g. sugar beet, sugar cane, coffee or orange juice) that we use to produce our products. | ● Low <ul style="list-style-type: none"> The areas from where we source our sugar beet, particularly in France, the Netherlands, Great Britain and Spain, could all be subject to climate-related water scarcity issues. Sugar and orange yields could be negatively impacted across all emissions pathways. Sugar beet is likely to be the ingredient most sensitive to changing weather patterns in the short term. In our modelling, Spain demonstrated the highest likely decrease in yield, due to potential increased rainfall. Our modelling demonstrates that coffee yields are unlikely to be adversely impacted. | ● Low | ● Low |
| Scenarios are modelled assuming no mitigating actions or progress on our stated sustainability action plan. It assumes that CCEP's operational footprint, product portfolio and GHG emissions remain static. Our mitigation strategy and our This is Forward sustainability commitments are designed to mitigate climate-related risks. | | | | |

Medium (2030) and long-term (2040 and beyond) non-financial assessment

The largest increase of physical risks over the medium and long term occur under the >4°C warming scenario – driven by potential operational disruption at CCEP facilities and disruption to ingredients supply. We conducted a detailed review of 27 high priority CCEP production facilities under the no policy (>4°C) scenario and without mitigating actions. Over the long term time horizon, the risk of flooding is expected to be the primary threat to a limited number of CCEP production facilities, primarily in Belgium, Spain and Indonesia.

Climate change may exacerbate water scarcity and cause further deterioration of water quality in affected regions. 21 of our production facilities in Europe, and three of our NARTD production facilities in API have been identified as being located in areas of high baseline water stress through WRI Aqueduct baseline water stress mapping.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Our strategic response to physical risks

| Physical risk | Value chain | How could this impact our business (assuming no mitigation)? | How are we addressing these risks? (Our mitigation strategy) |
|--|-------------------------------------|--|---|
| Extreme weather events could cause disruption to facilities and logistics routes | Manufacturing and operations | <ul style="list-style-type: none"> Property damage to production and warehouse facilities, logistics hubs and/or distribution fleet. Damage to facilities, equipment and/or key logistics routes could impact our ability to produce and/or distribute products. Severe floods in 2021 impacted our production facilities in Chaudfontaine (Belgium) and Bad Neuenahr (Germany). Similar events occurred in Australia in 2022, which did not directly impact our sites, but disrupted our distribution and logistics. We expect flooding to be a key physical risk under all emission pathways. | <ul style="list-style-type: none"> We work to adapt to and mitigate climate-related risks to our business from extreme weather events by investing in: <ul style="list-style-type: none"> Flood defence and climate adaptation at our sites. Business continuity planning. In 2022, we invested approximately €3 million in flood defence and climate adaptation across Europe and API. |
| Increasing water stress or water scarcity | Manufacturing and operations | <ul style="list-style-type: none"> Water stress or water scarcity could cause disruption to our production, lead to regulation or limits on our water abstraction which could disrupt or restrict our ability to produce our products. Even if temporary, this could result in increased production costs or capacity constraints, which could adversely affect our ability to produce and sell our beverages, and increase costs. 24 out of our 66 NARTD production facilities are located in areas of baseline water stress, based on WRI Aqueduct water risk analysis. We have experienced impacts from drought at several of our sites in prior years, for example in 2020, production at our sites in Dongen (the Netherlands) and Dunkerque (France) was impacted by drought. | <ul style="list-style-type: none"> We regularly review the water risks at our NARTD production facilities through WRI Aqueduct baseline water risk assessments, Facility Water Vulnerability Assessments (FAWVA), and Source Water Vulnerability Assessments (SVAs). These risks assessments directly inform the context based water targets at our NARTD production facilities, to effectively manage local water risks. At sites located in areas of higher water stress, we work with NGOs, local authorities, and the local community to help protect the watersheds we use. We target 100% regenerative water use in our 'leadership locations' by 2030^(A). This includes reducing our water use ratio, finding a beneficial use for the wastewater we discharge, and funding replenishment projects near our leadership locations. In 2022, we invested approximately €1.6 million in water efficiency technology and processes in our sites. We estimate that these investments could help us avoid annual water and waste treatment costs of approximately €125,000 per year. |
| Changes to weather and precipitation patterns could cause disruption to supply of ingredients | Supply chain | <ul style="list-style-type: none"> Changing weather patterns and/or extreme weather events could impact the yield and/or quality of key ingredients or raw materials that we use to produce our products - for example, sugar beet, sugar cane, orange juice or coffee. This could reduce availability or increase the cost of ingredients. The areas from where we source our sugar beet, particularly in France, the Netherlands, Great Britain and Spain could all be subject to climate-related water scarcity issues (based upon WRI Aqueduct water risk analysis). | <ul style="list-style-type: none"> We are asking all of our carbon strategic suppliers^(B) to set their own science-based GHG reduction emissions targets, including our ingredients suppliers. Aim for 100% of our key agricultural ingredients and raw materials to be sourced in compliance with our Principles for Sustainable Agriculture (PSA). We invest in water replenishment programmes in our key sourcing regions - focusing on supporting advanced water management practices. We support suppliers in being able to measure, set targets and reduce their emissions through training programmes such as the Supplier Leadership on Climate Transition (Supplier-LoCT) programme. |

(A) Non-alcoholic ready to drink (NARTD) production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.

(B) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (approximately 200 suppliers in total).

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Transition risk

Our scenario analysis was focused on the transition risks faced across our value chain under three emissions pathways. Our analysis highlighted a greater potential impact from transition risk in the short term compared to physical risk. The level of exposure to transition risks is driven by the warming scenario, with a +1.5°C scenario showing the highest level of potential transition risk.

Short-term (five years) cumulative gross risk financial impact estimates (assuming no mitigation)

Five year discounted cash flow at risk ● Low < €350m ● Medium €350m–€700m ● High >€700m

| Transition risk | What could be expected? | Short-term gross risk - 5 year discounted cash flow (assuming no mitigation) | | |
|---|--|---|--|---|
| | | >4°C emissions pathway | +2.5°C emissions pathway | +1.5°C emissions pathway |
| Policy | Carbon pricing is used as a shadow mechanism through which governments can incentivise GHG emissions reductions. The scenarios assume the use of higher carbon prices across CCEP markets to price and penalise GHG emissions, including those linked to packaging materials, to drive decarbonisation. | ● Low Assumes negligible carbon taxes | ● Low Assumes an average €40/tCO ₂ e of carbon taxes in year five | ● Medium Assumes an average €80/tCO ₂ e of carbon taxes in year five |
| Market | Consumer awareness of environmental impact drives a shift towards more sustainable, lower-emission alternative products and services. The scenarios assume that consumer preferences will shift towards packaging options that are perceived to be more sustainable, transforming market demand. | ● Low Assumes low consumer demand for packaging types that are perceived to be more sustainable | ● Low Assumes moderate demand for packaging types that are perceived to be more sustainable | ● Low Assumes rapid growing demand for packaging types that are perceived to be more sustainable |
| Technology | Regulation or market forces could result in the phasing out of fossil fuel and fossil-fuel dependent equipment and vehicles. This could result in carbon-intensive assets becoming devalued and stranded, resulting in impairment and asset write-offs. CCEP has a limited proportion of equipment or assets that depend directly on fossil fuels, with our own fleet assets the primary driver of risk. | ● Low Assumes that development is fossil-fuel driven with little innovation | ● Low Assumes moderate investment and innovation in renewable energy | ● Low Assumes rapid decarbonisation, including a rapid shift to renewable energy |
| Reputation | Levels of consumer activism could be influenced by how much climate action is taken by the beverage sector and by CCEP. This assumes a potential gross risk if CCEP falls behind the beverage sector, causing increased consumer activism relative to our competitors. This assessment does not include packaging changes likely to be required by legislation across the sector. | ● Low Low level of consumer activism | ● Low Moderate climate activism. Assume CCEP is perceived to be in line with the beverage sector | ● Low Assumes CCEP does not keep pace with the beverage sector, causing increased consumer activism |
| Scenarios are modelled assuming no mitigating actions or progress on our stated sustainability action plan. It assumes that CCEP's operational footprint, product portfolio and GHG emissions remain static. Our mitigation strategy and our This is Forward sustainability commitments are designed to mitigate climate-related risks. | | | | |

Medium (2030) and long-term (2040 and beyond) non-financial assessment

Beyond a five-year time horizon, the level of uncertainty of transition risks increases.

Transition risks are expected to be the most impactful in the short to medium term. In the next five years, in light of the challenge of coordinating global climate action, modest political, economic, and social changes will drive financial impact. More significant action to stimulate a low-carbon transition will accelerate the rate of transition and increase the magnitude of impacts to the business.

Over the medium term, new regulations designed to decrease the use of packaging materials that contribute to GHG emissions or that introduce quotas for refillable packaging could require additional investments in our packaging portfolio, manufacturing capabilities and distribution network. This could be accelerated by an increasing demand from consumers for more sustainable products. Through our Sustainable Packaging Office we continue to monitor risks and opportunities linked to various packaging models and regulations, including ways to maximise returns on possible investments through pricing, increasing our value share and the avoidance of potential taxes.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Our strategic response to transition risks

| Transition risks | Value chain | How could this impact our business (assuming no mitigation)? | How are we addressing these risks? (Our mitigation strategy) |
|-------------------|------------------------------|---|--|
| Policy | Packaging | <p>Introduction of carbon and/or packaging taxes or levies, aimed at reducing GHG emissions from packaging and waste, that could result in:</p> <ul style="list-style-type: none"> increased costs for packaging materials | <ul style="list-style-type: none"> A target to collect and recycle a bottle or a can for each one we sell by 2030. Enabled through cross industry collaboration to increase recycling rates and driving a circular economy. Increasing recycled material in our bottles and cans. A commitment to stop using oil-based virgin plastic in our bottles by 2030. Innovating in refillable and dispensed solutions as a key strategic route to eliminate packaging waste and reduce our carbon footprint. Between 2020 and 2022, we invested €300 million in GHG emissions reduction, a portion of which helped us accelerate our use of rPET. Using rPET provides CCEP with a significant opportunity to increase our recycled content level in specific countries to mitigate potential taxes, and could help protect us against potential new taxation, marketing restrictions and bans on single use plastic bottles which do not contain recycled plastic. |
| | Operations and raw materials | <p>Increase in carbon taxes, aimed at reducing GHG emissions within industry groups that could result in:</p> <ul style="list-style-type: none"> increased energy costs increased raw materials costs | <ul style="list-style-type: none"> Set science based short-term and long-term GHG emissions reduction targets to reduce our absolute GHG emissions by 30% by 2030 (vs 2019), and to achieve Net Zero by 2040. The purchase of renewable electricity (100% in Europe since 2018; 100% in API by 2030). Engaging and working with our carbon strategic suppliers to: <ul style="list-style-type: none"> set their own science based GHG emissions reduction targets by 2023 (Europe) and 2025 (API) use 100% renewable electricity in their operations by 2025 (Europe) and 2030 (API) share their carbon footprint data with us Aim to source all our agricultural ingredients and raw materials sustainably by ensuring our ingredient suppliers meet our PSA requirements. In 2022, we invested ~€24.8 million in energy, logistics and carbon-saving technologies across our markets, saving ~9,000 MWh per year and ~30,000 tonnes of CO₂e. We estimate that these investment measures could help us avoid annual costs of approximately €1.0-1.2 million per year. |
| Market (consumer) | Brands and portfolio | <ul style="list-style-type: none"> Loss of revenue and/or missed growth opportunities | <ul style="list-style-type: none"> Regular review of products and business models based on their carbon, packaging and water footprints. Removing packaging materials where we can and setting targets to work towards collecting all the packaging we use, increase our use of recycled content and reuse packaging in a circular system. |
| Technology | Operations | <ul style="list-style-type: none"> Asset write downs, investments in low-emission technology to meet market regulation | <ul style="list-style-type: none"> Investment in lower-emission/renewable energy reliant manufacturing equipment and transportation. Commitment via EV100 to transition all of our cars and vans in Europe to electric vehicles (EVs), or ultra-low emission vehicles by 2030. In 2022, 20% of our cars and vans in Europe were plug-in hybrid electric or pure EVs. Investing in the decarbonisation of our production facilities in line with our short-term GHG emissions reduction target. Reviewing and investing in emerging technologies through CCEP Ventures. |
| Reputation | Brands and portfolio | <ul style="list-style-type: none"> Loss of revenue and/or missed growth opportunities due to consumer activism against our sector and/or our products | <ul style="list-style-type: none"> Set science based short-term and long-term GHG emissions reduction targets to reduce our absolute GHG emissions by 30% by 2030 (vs 2019), and to achieve Net Zero by 2040. Increasing recycled content in packaging and increasing collection rates. Developing refillable and reusable product offerings for consumers. Continue to work with TCCC and other franchise partners as part of a system approach driving the sustainability agenda of our brands. |

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Metrics and targets

Through our sustainability reporting and disclosure we measure, monitor and manage our sustainability targets and other sustainability-linked metrics.

As part of our sustainability materiality process, we have used stakeholder insights to inform the update of our This is Forward commitments. The targets in This is Forward have been extended to cover all of our markets in Europe and API, and include ambitious, time-bound sustainability commitments. We plan on completing a more detailed materiality analysis in 2023.

For a full list of all sustainability metrics disclosed within this report please refer to our "Sustainability key performance data summary" on pages 249-252. This section also includes a summary of our approach to reporting, and an overview of our GHG emissions calculation methodology.

Climate-related targets

This is Forward includes key metrics and targets to assess and manage climate risks and opportunities across our value chain. Our climate targets are:

- Net Zero GHG emissions (Scope 1, 2 and 3) by 2040
- Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030 (versus 2019)
- Use 100% renewable electricity across all markets by 2030
- 100% of carbon strategic suppliers to set science based targets by 2023 (Europe) and 2025 (API)
- 100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and 2030 (API)

Our short-term and long-term emissions targets have been submitted to the SBTi for approval.

To support the development of a new Group wide science based GHG emissions reduction target, we have established carbon reduction roadmaps across our markets. Over the next year, this work will help us develop a

low-carbon transition plan, supported by long-term investment.

The table to the right provides an overview of our GHG emissions and energy use. A more detailed breakdown of emissions by source can be found in our Forward on Climate section on pages 38-41.

Water efficiency and replenishment targets

We adopt a value chain approach to water stewardship, focusing on water efficiency within our own operations, and work to protect the sustainability of the water sources that our business, our communities and our suppliers rely upon. Our This is Forward water targets are as follows:

- Set context based water targets at all NARTD production facilities
- Replenish 100% of the water we use in our beverages
- 100% regenerative water use in 'leadership locations' by 2030

Our manufacturing water use ratio^(A) is a key metric to measure water efficiency and all of our NARTD production facilities must set site-level water use ratio reduction targets, the level of which is based on the local site risk. In 2022, we achieved a 5.4% improvement in water use efficiency since 2019. We also measure and report on total water withdrawals and production volumes from areas of baseline water stress. Please see our 'Forward on water' section on pages 46-48 for further details on our water strategy and water risk assessment process.

Packaging metrics and targets

Packaging represents 38% of our total value chain carbon footprint – making it one of the most material areas where we can reduce our carbon footprint. Removing and reducing unnecessary packaging and driving the circularity of packaging we use will reduce the carbon footprint of our packaging and help us achieve our climate goals. More information on our packaging strategy, targets and metrics can be found in our Forward on packaging section, see further details on pages 42-45.

Carbon emissions and energy use

| Tonnes of CO ₂ e | Group ^(B) | | UK and UK offshore ^(C) | | |
|--|------------------------------|--------------------------------|-----------------------------------|----------------|------------------------------|
| | 2019 ^(D) baseline | 2022 | 2019 ^(D) baseline | 2021 | 2022 |
| Scope 1 Direct emissions (e.g. fuel used in manufacturing, own vehicle fleet) | 343,784 | 295,904^(F) | 36,193 | 37,501 | 29,436 |
| Scope 2 (market based) Indirect emissions (e.g. electricity) | 218,082 | 186,494^(F) | 37 | 2 | 2 |
| Scope 2 (location based) Indirect emissions (e.g. electricity) | 380,173 | 303,597^(F) | 22,186 | 16,489 | 15,985 |
| Scope 3 Third party emissions (e.g. ingredients, packaging, CDE, third party transportation) | 5,410,655 | 4,931,065^(F) | 712,608 | 682,888 | 700,012 |
| GHG emissions Scope 1, 2 and 3 (full value chain)^(E) | 5,972,521 ^(F) | 5,413,463^(F) | 748,838 | 720,391 | 729,449 |
| Intensity ratio | | | | | |
| Full value chain GHG emissions (Scope 1, 2 and 3) per litre (g CO₂e / litre) | 330.7 ^(F) | 289.4^(F) | 248.9 | 228.3 | 215.8 |
| GHG emissions (Scope 1 and 2) per euro of revenue^(E) | 36.9 | 27.9^(F) | 15.0 | 14.4 | 9.5^(F) |
| Energy use | | | | | |
| Direct energy consumption (Scope 1) (MWh) | 1,276,424 | 1,120,774 | 145,385 | 161,015 | 131,111 |
| Direct energy consumption (Scope 2) (MWh) | 935,478 | 901,588 | 94,622 | 85,390 | 91,904 |
| Direct energy consumption (Scope 1 and Scope 2) (MWh) | 2,211,902 | 2,022,362^(F) | 240,007 | 246,405 | 223,016^(F) |

Note: For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre

(A) Measured as litres of water per litre of finished product produced. All beverage production facilities.

(B) The acquisition of API completed on 10 May 2021 however the baseline metrics above are presented on a full year basis for 2019 to allow for better period over period comparability. 2021 data not disclosed due to the timing of the Acquisition.

(C) Equates to Great Britain for CCEP.

(D) 2019 baseline has been restated – as described in our "Sustainability key performance data summary" on pages 248-251.

(E) Scope 2 is market based approach only. Emissions from biologically sequestered carbon in 2022 were 63,500 tonnes of CO₂e, reported outside of the three scopes, in line with WRI/WBCSD GHG Protocol guidance.

(F) Subject to external independent limited assurance by DNV. See page 252 for details

Taking action on sustainability continued

Forward on climate



The context

The Intergovernmental Panel on Climate Change (IPCC) has issued a 'code red' for humanity, showing unequivocally that human activity is the cause of rapid changes to our climate. To limit global warming to 1.5°C, humanity must achieve global net zero emissions by 2050.

We take our responsibility to reduce our GHG emissions seriously. Over the last decade, we have made strong progress across our entire value chain – but much more needs to be done.

Our strategy

We are committed to decarbonising our entire business. Following work to better understand our emissions in our API business, we have submitted short-term and long-term absolute GHG emissions reduction targets, covering our Scope 1, 2 and 3 emissions, to the SBTi for their approval.

This includes a:

- short-term target to reduce our absolute GHG emissions by 30% by 2030 (versus 2019)
- long-term target to reach Net Zero by 2040

We anticipate that the SBTi will complete its review by the end of 2023.

We know that these targets are challenging and we are focused on delivering them by:

- developing a low-carbon transition plan, focused on reducing emissions across each area of our value chain, supported by long-term investment
- including a GHG emissions reduction target in our LTIP for senior management. This metric has a 15% weighting and is included alongside traditional financial metrics, including earnings per share and return on invested capital
- asking our carbon strategic suppliers to set their own science based carbon reduction targets and to shift to 100% renewable electricity
- developing a limited carbon offsetting strategy for the short and long term, focused on carbon removals, to support our Net Zero target.

Targets and performance^(A)

Reduce emissions

Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030^(B), versus 2019

| | | Target 30% reduction by 2030 (versus 2019) |
|--------|------|--|
| Group | 2022 | 9.4% |
| Europe | 2022 | 11.4% |
| | 2021 | 13.6% |
| API | 2022 | 6.0% |

Supplier engagement

100% of carbon strategic suppliers^(D) to set science based targets by 2023 (Europe) and by 2025 (API)

| | | Target 100% by 2025 |
|--------|------|------------------------|
| Group | 2022 | 17.0% |
| Europe | 2022 | 27.0% |
| API | 2022 | 5.0% |

Renewable electricity consumption

Use 100% renewable electricity across all markets^(C) by 2030

| | | Target 100% by 2030 |
|--------|------|------------------------|
| Group | 2022 | 74.4% |
| Europe | 2022 | 99.5% |
| | 2021 | 99.4% |
| API | 2022 | 23.8% |

Supplier engagement

100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and by 2030 (API)^(E)

(A) The acquisition of API completed on 10 May 2021. The Group and API sustainability metrics are presented on a full year basis for 2019 baselines calculated on a pro forma basis to allow for better period over period comparability.

(B) New Group wide commitment versus 2019. Submitted SBTi target and awaiting approval. We anticipate that the SBTi will complete its review by the end of 2023.

(C) See page 40 for renewable electricity purchased percentages for Group, Europe and API.

(D) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (~200 suppliers in total). A further 42% (Europe 56%; API 30%) have committed to set science based targets, including those who may have already submitted targets to the SBTi.

(E) Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

Taking action on sustainability continued

Forward on climate continued



GHG emissions | Value chain

Delivering a low-carbon transition

Between 2020 and 2022, we supported the delivery of our GHG emissions reduction target through a €300 million investment plan. A proportion of this investment helped us accelerate our use of recycled PET (rPET) resulting in us achieving our >50% rPET target four years early in Europe^(A). Our efforts across our entire value chain reduced emissions by 9.4% versus 2019.

In 2022, to support the development of a new Group wide science based GHG emissions reduction target, we established carbon reduction roadmaps across our markets. These focus on achieving "big bet" decarbonisation initiatives across our value chain by 2030. This includes initiatives such as reviewing our pack mix, efficiency improvements to our cold drink equipment (CDE), and our third party transportation and distribution. This work will help us develop a low-carbon transition plan, supported by long-term investment.

To support our business planning, we have embedded a carbon projection into our 2023–2025 long range plan and 2023 business plan, providing us with greater connection between our commercial and carbon forecasts. We also piloted a preliminary internal carbon price of €100/tCO₂e in Europe as a way of influencing strategic business decisions.

CCEP Ventures

Through CCEP Ventures, our investment platform for sustainability initiatives, we aim to invest in solutions that will help us reach our Net Zero 2040 target, including carbon-capture technology.

In 2022, we invested in a collaboration with the University of California, Berkeley to research the production of sugar from captured CO₂.

Building upon that partnership, CCEP Ventures recently entered into two new partnerships with Universitat Rovira i Virgili in Tarragona, Spain and the University of Twente in the Netherlands. These partnerships will explore ways to transform captured CO₂ that is present in an emission source or even in the atmosphere into the production of other goods like fuel, ingredients, and packaging.

 **Discover more about CCEP Ventures**
at cocacolaep.com/ventures

Reducing supplier GHG emissions

Over 90% of our value chain GHG emissions are attributed to our supply chain (Scope 3). To reduce our Scope 3 emissions, we have asked approximately 200 carbon strategic suppliers (representing approximately 80% of our emissions) to:

- set science based targets by 2023 in Europe and by 2025 in API
- use 100% renewable electricity by 2025 in Europe and by 2030 in API

By the end of 2022, 17% (Europe 27%; API 5%) of these suppliers had set a science based emissions reduction target. A further 42% (Europe 56%; API 30%) have committed to set science based targets, including those who may have already submitted targets to the SBTi. Approximately 36% of our Scope 3 emissions in Europe were linked to suppliers with SBTi-validated targets in 2022.

We are also working with TCCC to collect and validate emission data directly from our suppliers, initially focusing on packaging and ingredient suppliers. This work will be critical in helping us to reflect the impact of our suppliers' actions more accurately.


(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Reducing the carbon footprint of our packaging

Packaging accounts for a significant part of our GHG emissions, representing 38% of our total carbon footprint.


We work to reduce the carbon footprint of our packaging in many ways - including reducing the weight of our packaging, innovating in refillable packaging and packageless technology, and by reviewing our pack mix.

One of the most significant ways we can reduce the carbon footprint of our packaging is by replacing virgin material with recycled content across all of our packaging types. In 2022 48.5% of the PET we used was rPET (Europe 56.3%; API 26.9%). We estimate our use of rPET in 2022 delivered a reduction of approximately 100,000 tonnes of CO₂e^(B). In addition, we have a target to stop using oil-based virgin plastic in our bottles by 2030. In 2022, 44.7% of the PET bottles we sold were 100% rPET bottles (Europe 54.0%; API 25.8%).

 **Read more about our packaging activities**
on pages 42–45

Reducing the carbon footprint of our ingredients

Our ingredients account for 23% of our total carbon footprint. The majority of this footprint comes from the farming, processing and transportation of our ingredients. To reduce it, we are collecting more accurate carbon data from our suppliers and aim for 100% compliance with our Responsible Sourcing Policy (RSP) which includes TCCC's Supplier Guiding Principles (SGPs), Principles of Sustainable Agriculture (PSA) and commitments and expectations around carbon management.

 **Read more about our approach to sourcing** on pages 49–52

(B) Comparing 0% rPET rate vs actual 2022 48.5% rPET rate

GHG emissions across our value chain (Group)^(C)

Ingredients

23%

Packaging

38%

Operations and commercial sites

12%

Transport

8%

Cold drink equipment (CDE)

19%

(C) Rounded to the nearest 1%

Taking action on sustainability continued

Forward on climate continued



GHG emissions | Operations and commercial sites

Reducing the carbon footprint of our operations and commercial sites

Our operations and commercial sites account for 12% of our total carbon footprint.

We are working to reduce emissions from our production facilities by shifting to renewable electricity, improving energy efficiency, investing in on-site renewable energy, transitioning from fossil fuel to electric machinery (such as boilers and manual handling equipment) and reducing our fugitive CO₂ losses.

In 2022, we invested ~€24.8 million in energy, logistics and carbon-saving technologies. We estimate that this could save approximately 9,000 MWh and ~30,000 tonnes of CO₂e per year. We estimate these investments could help us avoid annual electricity and natural gas costs of ~€1-1.2 million per annum. For example in 2022, we saved approximately 800 MWh per year by improving the efficiency of high pressure air compressors at three Spanish production facilities. In Indonesia, we carried out more than 30 energy-efficiency projects, which helped to reduce our energy use ratio from 0.93 in 2021 to 0.82 MJ/litre in 2022.

Energy use ratio (MJ/litre of product produced)

Group

| | |
|------|------|
| 2022 | 0.35 |
|------|------|

Europe

| | |
|------|------|
| 2022 | 0.30 |
|------|------|

| | |
|------|------|
| 2021 | 0.32 |
|------|------|

API

| | |
|------|------|
| 2022 | 0.56 |
|------|------|

Renewable electricity

Using renewable electricity is critical to our decarbonisation journey. As a member of The Climate Group's RE100 initiative, we are committed to using 100% renewable electricity across all of our markets by 2030.

In Europe, we have purchased 100% renewable electricity since 2018, with 99.5% of the total electricity we used in Europe in 2022 coming from renewable sources. The gap is due to a small amount of non-renewable electricity used in leased facilities where we do not directly control the electricity contracts.

In API, 20.5% of the electricity purchased and 23.8% of the electricity used was from renewable sources. In New Zealand, we switched to using 100% renewable electricity three years ahead of our target. In Australia, we have signed an eight year renewable electricity agreement with Alinta Energy to purchase large-scale generation certificates and 13,000 MWh a year of renewable electricity from the Yandin Wind Farm, one of the largest in Western Australia.

We continue to invest in renewable and low-carbon energy projects at our production facilities, including on-site and power-purchase agreements for solar, wind, combined heat and power (CHP), district heating and hydropower. In 2022, 15 of CCEP's facilities sourced electricity from on-site solar, wind or hydro power, generating ~17,000 MWh of electricity. For example, in Portugal, we installed solar panels at our Azeitão plant in 2022, supplying up to 18% of the site's electricity demand.

Purchased renewable electricity (percentage)

Group

| | |
|------|-------|
| 2022 | 75.0% |
|------|-------|

Europe

| | |
|------|------|
| 2022 | 100% |
|------|------|

| | |
|------|------|
| 2021 | 100% |
|------|------|

API

| | |
|------|-------|
| 2022 | 20.5% |
|------|-------|

Carbon offsetting

We are focused on decarbonising our business, in line with a 1.5°C reduction pathway. In line with SBTi-Net Zero guidance, we support a limited amount of carbon offsetting outside of our value chain in the short term.

To do this, we have purchased a limited amount of high-quality carbon credits to offset emissions where we cannot reduce further – for example, to offset remaining emissions for our carbon neutral production facilities.

In 2022, we retired 9,375 tCO₂e of carbon credits from a VCS-certified REDD forest protection project based in Pulau Borneo, Indonesia. These credits were used to offset remaining emissions from our six carbon neutral sites. We have also purchased a limited amount of credits that we plan to use in 2023 and 2024. In the longer term, we will be working to directly invest in nature-based solutions that remove carbon from the atmosphere.

Case study Carbon neutral production facilities



To support our Net Zero by 2040 ambition, and reduce our absolute GHG emissions across our value chain by 30% by 2030 (vs 2019), we are supporting our sites to reduce their emissions and become PAS 2060 carbon neutral certified. By the end of 2022, six sites – Chaudfontaine, Belgium; Genshagen, Germany; Morpeth, Great Britain; Vilas del Turbón, Spain; Jordbro, Sweden and Putāruru, New Zealand – were certified as carbon neutral.

To be part of this programme, production facilities must have significantly reduced their emissions over the previous three years, and have a plan to continue reducing emissions in the future.

For example, our Putāruru site switched to use 100% certified renewable electricity during 2022 and is transitioning from LPG to electric forklifts to reduce its GHG emissions further. In 2022, the carbon intensity of production at the site reduced by ~40% CO₂e per litre compared to 2021.



Find out more at cocacolaep.com/annual-report/case-study/carbon-neutral

Taking action on sustainability continued

Forward on climate continued



GHG emissions | Transportation, distribution and cold drink equipment

Reducing emissions from our car fleet, vans and trucks

GHG emissions from our car fleet and vans account for 24% of our Scope 1 emissions. As a members of the Climate Group's EV100 initiative, we have committed to transition all of our cars and vans in Europe to electric vehicles (EVs), or ultra-low emission vehicles, and where EVs are not viable, by 2030.

To support this shift, we aim to offer workplace charging and make it convenient for employees to charge EVs at home, at work and on the go. In Europe, we increased our use of hybrid and electric cars and vans from 12% in 2021 to 20% in 2022.

In 2022, we introduced 30 electric trucks to make last mile deliveries to customers in Belgium, covering approximately 40% of the country's local delivery routes. The trucks are powered by charging stations using 100% renewable electricity at our production facilities.

Making our distribution networks more efficient

GHG emissions from our third party distribution and transportation account for approximately 7% of our Scope 3 emissions. To reduce emissions, we are improving our warehouse capacity, working with suppliers to change the way we transport our products, and increasing our use of alternative fuels. By adding warehouse capacity at our production facilities, we have reduced road miles and can now deliver directly to customers from our production facilities instead of using external warehouses. In Germany we have been recognised by the Sustainability Heroes Awards for our collaboration with DB Cargo, to facilitate the transportation of our products via rail. This project saved over five million truck kilometres over the past three years.

By working with our suppliers, we have also cut the distance our ingredients and raw materials travel to reach our production facilities. Many of these sites are located next to our can suppliers, eliminating the need to transport empty cans. Some of our production facilities, including Grigny in France, Wakefield in Great Britain and Halle in Germany, manufacture their own PET bottle pre-forms. We have also worked with some sugar beet suppliers to switch deliveries from road to rail.

In several European countries, we run front-hauling and back-hauling programmes together with customers and suppliers. We have back-hauling arrangements with key customers across France, Great Britain, the Netherlands and Sweden. We are also expanding the use of Eco-Combi trucks in the Netherlands and Belgium. Longer than conventional trucks, they can carry up to 38% more per journey, helping to reduce GHG emissions.

We are also exploring alternative fuels and new technologies. Alternative fuels currently make up ~8% of the total kilometres driven by our hauliers in Europe, and we are working to increase this. Our hauliers use hydrotreated vegetable oil (HVO100) in Great Britain, Germany, the Netherlands, Spain and Sweden, compressed natural gas (CNG) and BioCNG in France, liquefied natural gas (LNG) in Belgium and Luxembourg and gas-powered trucks in Germany and Spain.

Reducing our emissions from cold drink equipment (CDE)

GHG emissions from our CDE represent 19% of our total carbon footprint.

In 2022, we reduced the energy use of our CDE equipment per unit across our markets by 3% versus 2021. Our efforts to replace old and obsolete equipment, also led to a reduction of 8% in the size of our CDE fleet and a 10% decrease in total energy


consumption versus 2021. This helped drive a reduction of GHG emissions of 13% CO₂e in 2022. All new coolers purchased in 2022 were hydrofluorocarbon (HFC)-free. In total, 51% of our cooler fleet is now HFC-free.

In 2022, we launched our Connected Coolers Technician App which helps reduce technician visits and improves cooler efficiency. This will also help us better track and manage our fleet. When we do dispose of old equipment, we aim to take full responsibility by ensuring recycling and its safe disposal.

In API, cold drink equipment can often be a significant source of emissions, due to the use of fossil fuels in the national electricity grid. In addition to working to improve the energy efficiency of our fleet across API, we strongly support the continued shift to renewable electricity across our markets.

Working with customers

We also support our customers to reduce their own emissions. In 2022, we continued to drive our Net Zero Pubs, Bars and Restaurants initiative in Great Britain in partnership with Pernod Ricard and Net Zero Now. This online platform calculates the carbon footprint of bars and restaurants and provides customers with guidance on reducing emissions. In Spain, we continue to support the ECODES Foundation Community's HOSTELERIA #PorElClima platform, which aims to reduce the carbon footprint of the hotel, café and restaurant sector, by giving guidance and recommendations and by raising awareness of carbon management practices in the industry.

 Learn more about our stakeholders engagement on pages 14-17

Case study Switch from road to rail



In Great Britain, in partnership with Maritime Transport Ltd, and GB Railfreight, we are making the switch from road to rail to distribute our drinks between our production facilities and third party warehouse locations across London and Yorkshire.

When running at full capacity, the change will see up to 18,000 loads of CCEP's products – some 2.5m cans and bottles – delivered by rail per day, reducing carbon emissions by nearly 50% compared to previous road operations.

Distribution km via alternative modes


~24m

In 2022, ~9% of our third party distribution km travelled in Europe were via alternative modes of transportation like rail, ship or eco-combis.

Distribution km using alternative fuels

~20m

In 2022, ~8% of our third party distribution km travelled in Europe used fuels like HVO100 or CNG.

 Find out more at cocaColaep.com/annual-report/case-study/road-to-rail

Taking action on sustainability continued

Forward on packaging



The context

Waste and pollution, particularly from plastic packaging, is a significant global challenge. We are taking urgent action to reduce the impact of our packaging. We have a responsibility to help tackle the packaging waste crisis and understand the urgency and complexity around plastic pollution. By reimagining the way we do business, we are progressively moving away from a linear model and the waste it creates, towards a 100% circular model.

Our strategy

We are committed to reducing our use of packaging where possible and ensuring that the equivalent of all the packaging we do use is collected, reused or recycled so that it does not end up as waste or litter. These actions will also reduce the carbon footprint of our packaging. In 2022, our packaging represented 38% of our total value chain carbon footprint.

We aim to achieve this through the key pillars of our packaging strategy:

- Removing unnecessary packaging
- Innovating in refillable and packageless solutions
- Achieving 100% collection so that packaging can be recycled and reused
- Increasing the recycled content of our packaging

Our Sustainable Packaging Office (SPO) streamlines all the technical and exploratory sustainable packaging work across our geographies, accelerates our innovation and supports progress towards our goals.

Targets and performance

Design^(A)

100% of primary packaging to be recyclable by 2025

Europe

| | |
|------|-------|
| 2022 | 98.7% |
| 2021 | 98.3% |

Collection

Collect and recycle a bottle or a can for each one we sell by 2030

| | |
|-------|--------------|
| Group | Target |
| 2022 | 100% by 2030 |
| 2022 | 71.8% |

Europe

| | |
|------|-------|
| 2022 | 76.7% |
|------|-------|

API

| | |
|------|-------|
| 2022 | 53.0% |
|------|-------|

Recycled plastic (rPET)

50%^(B) recycled plastic in our PET bottles in Europe by 2023 - other API markets by 2025

| | |
|-------|-------------|
| Group | Target |
| 2022 | 50% by 2025 |
| 2022 | 48.5% |

| | |
|--------|-------------|
| Europe | Target |
| 2022 | 50% by 2023 |
| 2022 | 56.3% |

| | |
|------|-------|
| 2021 | 52.9% |
|------|-------|

| | |
|------|-------------|
| API | Target |
| 2022 | 50% by 2025 |
| 2022 | 26.9% |

Virgin plastic

Percentage of PET bottles that are 100% rPET^(C)

| | |
|-------|--------------|
| Group | Target |
| 2022 | 100% by 2030 |
| 2022 | 44.7% |

Europe

| | |
|------|-----|
| 2022 | 54% |
|------|-----|

API

| | |
|------|-------|
| 2022 | 25.8% |
|------|-------|

(A) Complete data for Group and API not available for 2022 reporting. We are completing an assessment across API. For details see our '100% recyclable' section on page 43. We aim to report on this indicator for Group and API in 2023.

(B) Percentage based on one way PET bottles sales (tonnes).

(C) Percentage based on one way PET bottles sales (individual consumer units).

Taking action on sustainability continued

Forward on packaging continued



Packaging carbon footprint - removing unnecessary packaging

Packaging life cycle analysis (LCA)

Together with TCCC, we have conducted life cycle analysis to assess the carbon footprint of our packaging. This allows us to make informed decisions and helps us prioritise our efforts to reduce the GHG emissions of our packaging. In 2022, we updated our LCA work to help us compare the carbon footprints of our different packaging formats.

Having a solid understanding of the factors that contribute to the carbon footprint of our products, enables us to focus on key areas such as increasing collection rates and recycled content. LCA allows us to understand the potential carbon impact of changing from one packaging type to another. For example, switching from PET to aluminium cans or one way glass could currently result in higher GHG emissions. We also know that 100% rPET has up to a ~70% lower carbon footprint than virgin PET.

We are working to reduce the carbon intensity across our packaging portfolio and we know that we will need a balanced and optimised packaging portfolio in the future to allow consumers to enjoy our drinks in a more sustainable way.

> Read more in Forward on climate
on pages 38 - 41

Future pack mix

In 2022, we held multiple workshops across our key geographies to help forecast our future pack mix up to 2030. This work is critical in developing our overall emissions reduction strategy. It also enables us to explore ways to accelerate our use of reusable packages across our markets. Our pack mix vision provides a sustainable packaging pathway, while delivering volume growth and mix that supports our mid-term financial objectives.

Our work takes into account upcoming legislation, both likely and enacted, which in selected markets or sub-channels will require us to reduce the use of single use plastic or introduce refillable packaging. As a result of this project we have started to build a roadmap that will increase the sustainability of our packaging portfolio. Over time we will continue to refine and optimise our future pack mix vision.

100% recyclable

Recyclability is the first principle of the circular economy. For packaging to retain its value and for the material to be recycled, it must first be collected and be compatible with recycling infrastructure in practice and at scale.

We're aiming for 100% of our primary packaging to be recyclable or reusable by 2025. In 2022, 98.7% of our primary packaging across European markets were recyclable.

We want to ensure our packaging is not just technically recyclable, but that it is easy and feasible for consumers to recycle. While most of our packaging is technically recyclable in API, we are completing an assessment to understand whether the collection systems in place cover the right materials, and reach enough people. We are also reviewing whether existing collection systems sort and aggregate collected materials into defined recycling streams, and whether material is converted into a secondary raw material which has economic value, and can be used again.

We are continuing this assessment, and aim to be able to report a percentage of packaging that is recyclable in API next year.

Hard to recycle packaging

Although we are focusing on making our primary packaging recyclable, we ultimately want to ensure all the materials we use are recyclable, preferably in a closed loop system.

To achieve this, we are taking steps to make our labels, closures and shrink wrap we use for multipacks recyclable as well. Some of the key hard to recycle items we are working on are:

- exploring mechanical recycling for polypropylene (PP) plastics as well as mechanical and enhanced technologies for high density polyethylene (HDPE) plastics. Both plastic types are often used on closures.
- forming partnerships to increase recycling streams for shrink wrap.
- developing mechanical recycling technology to create recycled labels.
- joining a cross industry initiative to move to washable inks on shrink sleeves, making it easier to recycle labels alongside bottles.
- in Australia, we are working with the government through the local industry association to align new labelling with the requirements of container deposit schemes.

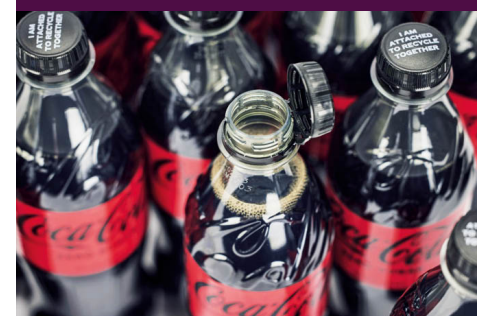
Lightweighting

We have a long-standing programme to reduce the weight of our packaging and optimise the materials we use.

In 2008, a 500ml PET bottle weighed 28.9g. Today, thanks to innovative work with our suppliers, this same bottle now weighs just 19.9g, and current projects will reduce this further.

In 2022, we continued to shift our can portfolio from steel to aluminium in Europe. As aluminium is lighter than steel we estimate the volume transitioned to aluminium cans from steel during 2022 resulted in eliminating approximately 11,500 tonnes of CO₂e. In API, we only use aluminium cans.

Case study Tethered closures and light weighting



In full compliance with the European Single Use Plastics Directive which will take effect in 2024, we are introducing tethered closures to our plastic bottles across our European markets.

Our PET bottles, including the caps, are 100% recyclable but not all are being recycled. Bottle caps are often discarded and create litter. We have started to introduce tethered closures and a newly designed lighter weight neck on our PET bottles for carbonated soft drinks. The new design means that the cap stays connected to the bottle after opening, so the whole plastic bottle and attached cap can be recycled together. This move will save at least 1g of plastic per bottle – approximately 6,800 tonnes of plastic a year by 2024.

This new solution was developed in collaboration with TCCC, working closely with multiple bottle and closure suppliers.

> Find out more at cocacolaep.com/annual-report/case-study/attached-caps

Taking action on sustainability continued

Forward on packaging continued



Innovating in refillable and packageless and increasing recycled content

Refillable or reusable

Reusable packaging will help us become more resource efficient, and reduce our packaging waste, material use and carbon footprint.

By 2030, TCCC aims to have at least 25% of their global volume sold in refillable or returnable glass or plastic bottles, or in refillable containers through traditional fountain or Coca-Cola Freestyle dispensers.

Refillable bottles already have a significant presence in some of our markets. In 2022, ~15% of the packaging units we put on the market in Europe were returnable and refillable. In Europe refillable PET bottles represented ~12% of the PET bottles we put on the market, and ~84% of our glass bottles were refillable. We continue to pilot and develop new refillable solutions in Europe.

Dispensed delivery solutions

Compared to packaged beverages, dispensed solutions often have a lower carbon footprint. They allow consumers to enjoy our drinks with less packaging and are compatible with reusable cups or bottles.

We continue to innovate our dispensed product offering and work with partners to develop new digitally advanced smart dispensing equipment. We are engaging with customers and consumers to encourage more sustainable choices, such as switching from single use to reusable drinking vessels. Through pilot projects, we are testing consumer behaviour to better understand the potential of dispensers and reusable containers to reduce waste and GHG emissions.

~9%

of our volumes in 2022 were enjoyed via dispensed solutions (Europe ~8%; API ~11%).

Case study New Compact Freestyle® drinks dispenser pilots in Europe



New Compact Freestyle has been developed with TCCC as an extension of the iconic Coca-Cola Freestyle brand and portfolio. Designed for smaller on the go and at work locations, it allows consumers to personalise their drink choices, and choose to fill their own reusable vessel.

Number of countries with trials

5

Belgium, France, Great Britain, the Netherlands and Spain.

Number of beverage choices

~40

The smart dispenser offers consumers greater choice and personalisation.



Find out more at cocacolaep.com/annual-report/case-study/freestyle

Recycled and renewable materials

Using recycled material in our bottles and cans helps us to keep valuable resources in a circular economy and reduce the carbon footprint.

In Europe, we achieved our 50% rPET target four years early^(A) and have set an ambition to use 50% recycled plastic in API by 2025. We also have a target to stop using oil-based virgin plastic in our bottles by 2030. We aim to achieve this by using only rPET or PET from renewable sources such as plantPET. This is a core part of our strategy to demonstrate that single use plastic can be fully circular.

We have made significant investments to develop a strong rPET roadmap and increase our use of rPET. We finished 2022 with:

- Iceland, the Netherlands, Norway and Sweden using 100% rPET for all locally produced bottles;
- Belgium, Luxembourg, Germany, Great Britain, Australia, Fiji and New Zealand using 100% rPET across all single serve bottles; and
- Fuze Tea, Smartwater, Chaudfontaine and Vio are 100% rPET brands

In 2022, we introduced rPET in our 390ml carbonated soft drinks bottles in Indonesia, using material from our Amandina PET recycling plant, which is a joint venture with Dynapack Asia.

We are working with suppliers to increase the recycled content in all packaging types, including secondary and tertiary packaging.

High quality rPET

The current demand for high quality food grade rPET exceeds its supply. To address this, we are investing in long-term partnerships with recyclers to increase recycling capacity.

Scaling up rPET production requires a significant increase in collection rates. In markets with beverage packaging return

schemes in place, we are advocating for fair access to the returned materials, to build bottle to bottle recycling loops and avoid high quality PET being downcycled into low value plastic and lost from the system.

In 2022, we began using materials from our Indonesian PET recycling plant, which is a joint venture with Dynapack Asia. The state of the art facility, run by Amandina Bumi Nusantara, will help towards creating a closed loop plastic packaging supply chain by producing food grade PET pellets made from locally collected post-consumer plastic bottles.

Together with Pact Group, Cleanaway and Asahi Beverages, we have formed a joint venture to build and operate a new PET plastic recycling facility in Victoria, Australia. Construction started in 2022 and is expected to be completed in 2023. This will be the second facility built by the joint venture in Australia, following the opening of the Albury-Wodonga site in New South Wales in March 2022. We estimate that each facility will be capable of processing the equivalent of approximately one billion plastic bottles each year.

To address the challenge of hard to recycle plastics, including plastic found in the oceans or sent to incineration or landfill, new depolymerisation recycling technologies are needed. We are investing to help scale this technology, including our investment in CuRe Technology through CCEP Ventures. This funding will enable CuRe Technology to accelerate its polyester rejuvenation technology to commercial readiness. Once commercialised, we will receive access to output to support our target to stop using oil-based virgin plastic in our bottles by 2030.

^(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Taking action on sustainability continued

Forward on packaging continued



Driving packaging circularity

Packaging collection and infrastructure

Collecting "a bottle or a can for every one we sell" is at the heart of TCCC's global World Without Waste strategy. This commitment is also a core part of our strategy to demonstrate that single use plastic can be circular.

Addressing collection and infrastructure challenges is often complex. Across our markets we are working with national and local governments and stakeholders to develop and fund collection solutions that provide high quality recycled plastic. While collection solutions will vary market by market, ultimately they all need to support a reduction in packaging waste, and reduce the amount of packaging that is littered or goes to landfill or incineration.

These solutions vary depending on the socioeconomic and legislative context in each market. They can include extended producer responsibility and beverage packaging return schemes which are driven by legislation, and directly funded voluntary action.

In markets where collection infrastructure is well developed, such as Europe, Australia and New Zealand, we support legislation for well designed, industry-run beverage packaging return schemes. In Europe, markets with well-designed deposit return schemes (DRS) achieve the highest collection rates, often exceeding 90% for beverage packaging. In addition, the plastic collected through DRS has very little contamination from other materials, allowing recyclers to produce high quality recycled material that is suitable for bottle to bottle recycling.

Collecting packaging in Europe

DRS are in place in Iceland, Germany, the Netherlands, Norway and Sweden.

In Great Britain we are a founding member of Circularity Scotland, which will help develop and administer a DRS system set to launch in Scotland in August 2023. England and Wales aim to introduce schemes by October 2025. We will continue to support policymakers and industry partners towards achieving our ambition of having a scheme, or schemes that operate seamlessly across Great Britain.

In Portugal, where legislation is already in place, we continue to work closely with policymakers and continue to support the scheme towards implementation.

In our other markets, we continue to work with recycling and collection organisations including Fost Plus in Belgium, CITEO in France, and Ecoembes in Spain.

Collecting packaging in API

In New Zealand, we have been actively engaged with the government to help develop a Container Return Scheme (CRS) and welcome the announcement of a proposal to implement a nationwide, industry led scheme by 2025.

In Australia, we are involved in all Container Deposit Schemes (CDS) in operation. We have actively participated in the design and development of the schemes in Victoria and Tasmania, the two remaining states to implement a CDS, with both scheduled to commence operation in 2023.

In markets where collection infrastructure is less developed, such as Indonesia, the Pacific Islands and Papua New Guinea, we are committed to voluntary action to drive collection. We aim to directly fund and incentivise collection solutions.

Packaging collection rate

71.8%

In 2022, 71.8% of the packaging we put on the market was collected for recycling.

Industry collaboration

Addressing the challenge of plastic waste requires industry wide collaboration, and we support initiatives that make this possible. Platforms including the Ellen MacArthur Foundation's New Plastics Economy Initiative, the UK Plastics Pact, the Netherlands Plastics Pact and the French National Pact on Plastic Packaging send a strong signal that change is possible.

In Australia, we are members of the Australian Packaging Covenant Organisation, an NGO working with governments, businesses and other organisations across the packaging value chain in Australia to lead the development of a circular economy for packaging. Alongside TCCC, we sit on the Steering Committee of Indonesia's National Plastics Action Partnership, and we are working on a multi stakeholder action plan to achieve a 70% reduction in the country's marine plastic debris by 2025.

The power of our brands and our people

We continue to use the power of our brands to encourage consumers to recycle our packaging via on pack messages.

In Norway, we ran a nationwide campaign, in partnership with the Norwegian Football Federation in 2022, highlighting the importance of collecting bottles for recycling. The campaign resulted in the collection of €84,000 worth of empty bottles.

In Sweden, we started a new joint initiative with NGO Keep Sweden Tidy and customer Reitan Convenience, to raise awareness about recycling and reuse, and encourage more people to recycle on the go.

We also support a wide range of anti-litter and clean up initiatives through local community partnerships and employee volunteering. As well as removing and preventing litter, these activities influence consumer behaviour and raise awareness about littering and recycling.

➤ See more details on our volunteering programmes for our people on page 57



Taking action on sustainability continued

Forward on water



The context

Water is critical to our business. It is the main ingredient in our products, essential to our manufacturing processes and critical to ensuring a sustainable supply of the agricultural ingredients we depend upon.

Climate change is exacerbating water stress and water scarcity. In many parts of the world we are witnessing water shortages, droughts and floods in regions where we produce our products or source our ingredients. To address these challenges, we have adopted a value chain approach to water stewardship, focusing on water efficiency within our own operations, working to protect the sustainability of the water sources that our business, our communities and our suppliers rely upon.

Our strategy

Our approach to water stewardship is aligned with TCCC's 2030 global water strategy. This includes a context-based approach to water security, which allows us to prioritise the areas of our value chain – both operations and sourcing regions – most at risk from water stress.

We have developed context-based water reduction targets across all of our production facilities, addressing the needs of local river basins. We measure performance through our water use ratio – the average amount of water we need to produce a litre of product.

At our leadership locations^(D), we have a target to achieve 100% regenerative water use by 2030, meaning we will replenish all of the water that we use at these production facilities through the beneficial use of wastewater and replenish projects in the minor river basin of the sites.

We will continue to replenish 100% of the water that we use in our beverages, supporting replenishment projects in our key operating regions, communities and sourcing regions.

Targets and performance^(A)

Water stewardship

Set context based water targets at all production facilities^(B)

| Group | Target 100% |
|-------|----------------|
| 2022 | 100% |

Europe

| | |
|------|------|
| 2022 | 100% |
|------|------|

API

| | |
|------|------|
| 2022 | 100% |
|------|------|

Water efficiency^(C)

Manufacturing water use ratio (litres of water withdrawal per litre of finished product produced)

Group

| | |
|------|------|
| 2022 | 1.60 |
|------|------|

Europe

| | |
|------|------|
| 2022 | 1.57 |
| 2021 | 1.58 |

API

| | |
|------|------|
| 2022 | 1.73 |
|------|------|

Water replenishment

Replenish 100% of the water we use in our beverages

| Group | Target 100% |
|-------|----------------|
| 2022 | 105.5% |

Europe

| | |
|------|--------|
| 2022 | 101.6% |
|------|--------|

API

| | |
|------|--------|
| 2022 | 120.8% |
|------|--------|

Regenerative water use^(D)

100% regenerative water use at all leadership locations^(E) by 2030

(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.

(B) Non-alcoholic ready to drink (NARTD) only

(C) No Group or regional water use ratio target currently set. Our water stewardship measure tracks if all NARTD production facilities have water use ratio targets.

(D) New target. Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

(E) NARTD production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.

Taking action on sustainability continued

Forward on water continued



Water stewardship

Assessing water risk

Our water risk mapping is based upon a series of risk assessments, completed together with TCCC.

All our production facilities are assessed through a global Enterprise Water Risk Assessment (EWRA) using the World Resources Institute's (WRI) Aqueduct 3.0 tool. This is supported by local Facility Water Vulnerability Assessments (FAWVAs), which assess a range of physical, regulatory and social risks at a production site level. As of the end of 2022, all of CCEP's non-alcoholic drinks production facilities have completed a FAWVA.

The FAWVAs are supported by source vulnerability assessments (SVAs), aligned with the Alliance for Water Stewardship Standard, which we aim to complete every five years. SVAs assess potential risks in water quality and future availability to our business, the local community and the wider ecosystem.

The FAWVAs and SVAs feed into our facility water management plans (WMPs). WMPs are used to manage targets, enhance climate resilience, and facilitate data sharing and reporting. In 2022, all our non-alcoholic production facilities had SVAs and WMPs in place.

Setting context based targets

Through the EWRA, we have identified that 21 of our 42 NARTD production facilities in Europe, and three out of 24 NARTD production facilities in API are located in areas of high baseline water stress.

In 2022, the total production volumes from our 24 sites located in areas of baseline water stress was 8.1 million m³ (7.4 million m³ in Europe, and 0.7 million m³ in API). This represented 49% of our total production volumes, (56% of our production volumes in Europe and 22% in API).

The outputs of the EWRA and FAWVAs are used to categorise our sites, allowing us to set context based targets on a site level. The categories are:

Leadership locations: sites which rely on vulnerable water sources or have a high level of water dependency. These sites have the highest water use reduction targets, and have a target to achieve 100% regenerative water use by 2030. Nine of our production facilities in Europe, and four in API have been identified as leadership locations, representing 9.8 million m³ (37%) of our total 2022 water withdrawals.

Advanced efficiency: these sites operate in a water stressed context, and will be focused on achieving advanced water efficiency, and best in class water reduction targets.

Contributing locations: these sites operate in the lowest water risk areas, and have water use ratio targets which meet industry benchmark standards.

Improving water efficiency

We monitor our water use, setting annual targets and identifying opportunities to reduce our water consumption, and improve the water efficiency of our manufacturing and cleaning processes.

In 2022, we invested approximately €1.6 million in water efficiency technology and processes in our sites. We estimate that this could result in savings of approximately 125,000 m³ per year and help us avoid annual water and waste water treatment costs of approximately €125,000 per year.

For example, in 2022, three of our Indonesian production facilities (Medan, Semarang and Bekasi) completed implementation of reverse osmosis technology which enables us to reuse treated wastewater in production processes such as cleaning and in our boilers.

Case study Regenerative water use in Antwerp, Belgium



Our production facility in Antwerp, one of our 13 leadership locations, has begun to develop on-site programmes to support its regenerative water use target.

The site used to discharge rainwater and wastewater into a combined municipal sewer. Working together with the local municipality, the two water waste streams have been separated. This has allowed the site to direct the rainwater into a wetland lake and infiltration canal. This allows water to slowly infiltrate into the ground, improving local biodiversity. In addition, the site is working to reuse rainwater for irrigation at a neighbouring petting zoo.

The project is estimated to have replenished 9,200 m³ of water in 2022.



Find out more at cocacolaep.com/sustainability/this-is-forward/forward-on-water

Returning wastewater to the environment

We aim to safely return 100% of our wastewater to nature. Before wastewater is discharged from our production facilities, we apply high standards of treatment, meeting all local regulations and The Coca-Cola Operating Requirements (KORE). In 2022, we discharged 9.7 million m³ of wastewater.

Most of our production facilities pre-treat wastewater on site and send it to municipal wastewater treatment plants, but 11 of 42 NARTD sites in Europe carry out full treatment on site. 10 of our 24 NARTD production facilities in API have on-site wastewater treatment plants. For example, our production facilities in Reykjavik, Iceland, and Barcelona, Spain, use the methane gas generated during treatment to heat the treatment process itself. In 2022, we invested approximately €3.7 million in wastewater treatment technology.

Regenerative water use

We have a target to achieve 100% regenerative water use at our leadership locations, in line with TCCC's 2030 global water strategy.

Sites with regenerative water use targets must ensure that by 2030 their total water withdrawal volume is replenished - either through a beneficial use for their wastewater, or through investment in replenishment projects in the minor river basin of the production facility.

Across our 13 leadership locations, we withdrew 9.8 million m³ of water (37% of total), and discharged 3.4 million m³ of wastewater (35% of total) in 2022. We will continue to develop our strategy and replenishment programmes in the minor river basin of these sites.

In 2022, we began our work to establish metrics to measure our regenerative water use across our 13 leadership locations. We aim to report on progress against this target next year.

Taking action on sustainability continued

Forward on water continued



Water efficiency, replenishment and biodiversity

Water stewardship recognition

64 out of 66 of our NARTD production facilities are certified^(A) under the ISO 14001 environment management standard. This ensures we have appropriate environmental management and stewardship resources in place for all our daily operations.

With a gold European Water Stewardship certificate since 2013, our mineral water bottling plant in Chaudfontaine, Belgium, obtained a platinum certificate for sustainable water management from the worldwide Alliance for Water Stewardship (AWS) in 2021, as did our production facility in Dongen – the first site to receive this standard in the Netherlands. These AWS certificates are valid for three years.

In 2022, CCEP was included in the CDP Water A list for the seventh year in a row.



(A) All outstanding production facilities are located in Papua New Guinea where we are actively working towards certification.

Water replenishment programmes

We aim to replenish 100% of the water we use in our beverages, in partnership with local NGOs and community groups. Together with TCCC and The Coca-Cola Foundation (TCCF), we have supported multiple replenishment programmes across our territories in recent years. These projects address water risks near our operations, within our communities and in our priority watersheds.

In 2022, we supported 21 water replenishment projects across Europe and 6 in API. Through these programmes, we replenished 19.7 million m³ of water across our territories - including 15.2 million m³ in Europe and 4.6 million m³ in API. This represents 105.5% of our total sales volume (101.6% in Europe; 120.8% in API).

Read more about our water replenishment projects on cocacolaep.com/sustainability/this-is-forward/forward-on-water



Preserving natural ecosystems

We aim to leave nature in a better state than we find it by building adaptation and resilience into our main operating and sourcing regions.

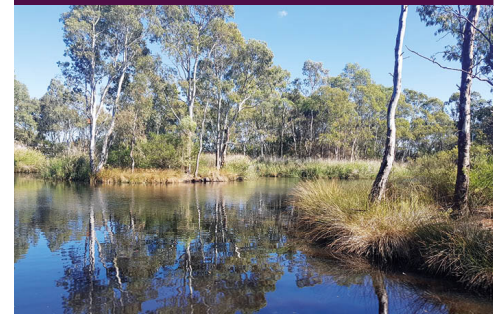
To protect and reinstate watersheds that foster biodiversity, we are improving our water use efficiency and contributing towards secure access to water in priority areas, through water replenishment projects.

For example, in Spain, we continue to support the Misión Posible: Desafío Guadalquivir project. The project, run in partnership with WWF and TCCF, aims to improve the irrigation of agricultural crops in the area and the biodiversity of the Guadalquivir river by restoring a nearby marsh. Thanks to the project, approximately 1 million m³ of water were returned to nature in 2022.

In 2023, we will use the Science Based Targets Network framework to conduct a biodiversity risk assessment of our entire value chain. This work will inform and support us in defining our future biodiversity strategy and no-deforestation commitments, helping tackle the significant collapse of biodiversity and nature that is being experienced globally.

Case study

Farm dam restoration in Australia



In 2022, The Coca-Cola Australia Foundation (CCAF) and Landcare Australia announced a new partnership to transform farm dams and boost farming water security.

Landcare Australia will work with local communities to install infrastructure, including fencing and stock access points to revegetate degraded dams with native flora. Through the project, three South Australian sites have been selected to provide an initial showcase of how degraded farm dams can be transformed into thriving ecological communities while also improving on-farm productivity. The project aims to improve water quality, drought resilience and create a biodiverse habitat that can support a variety of animals, including platypuses, water birds and frogs.

Find out more at cocacolaep.com/annual-report/case-study/farm-dam

Taking action on sustainability continued

Forward on supply chain



The context

As a business, we rely upon a sustainable supply of ingredients like sugar, coffee, tea and juices as well as the raw materials we use for our packaging like glass, aluminium, plastic, pulp and paper.

However, global supply chains are under increasing pressure as a result of population growth, increased demand for food and the impacts of climate change.

We recognise the importance of having ethical and sustainable procurement practices that support our business and sustainability goals.

Our strategy

Sustainable practices have a critical role to play in tackling climate change and in driving long-term resilience within our supply chains.

We are committed to ensuring that 100% of our suppliers abide by our Responsible Sourcing Policy (RSP) – which includes TCCC's Supplier Guiding Principles (SGPs), Principles of Sustainable Agriculture (PSAs) and commitments and expectations around carbon management. We track our progress by measuring supplier compliance with our RSP, through our SGPs and PSAs. The RSP applies to all suppliers, and our SGPs are embedded within our contracting and supplier management processes.

We have a target for 100% of our main agricultural ingredients and raw materials to be sourced sustainably, in compliance with our Principles for Sustainable Agriculture (PSA). Our PSA apply to all of our suppliers of agricultural ingredients and raw materials, including sugar beet, sugar cane, coffee, tea and fruit juices, and bio-based materials for our packaging such as paper.

Our suppliers represent over 90% of our Scope 3 emissions. This is why we have asked our suppliers to set their own science-based carbon reduction targets and to shift to 100% renewable electricity.

We believe that the quality and integrity of our products depend on sustainable global supply chains with successful and thriving farming communities, where human rights are respected and protected. We remain committed to the United Nations' Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations' Global Compact.

Targets and performance^(A)

Spend covered by guiding principles

100% of suppliers to be covered by our SGPs

| Group | Target |
|-------|--------|
| 2022 | 97.5% |

Europe

| | |
|------|-------|
| 2022 | 97.3% |
| 2021 | 97.0% |

API^(B)

| | |
|------|-------|
| 2022 | 98.4% |
|------|-------|

Sustainable sourcing (pulp and paper)

100% of pulp and paper sourced through suppliers in compliance with our PSA

| Group | Target |
|-------|--------|
| 2022 | 99.2% |

Europe

| | |
|------|-------|
| 2022 | 99.8% |
|------|-------|

API

| | |
|------|-------|
| 2022 | 98.3% |
|------|-------|

Sustainable sourcing (sugar)

100% of sugar sourced through suppliers in compliance with our PSA

| Group | Target |
|-------|--------|
| 2022 | 97.6% |

Europe

| | |
|------|------|
| 2022 | 100% |
|------|------|

API

| | |
|------|-------|
| 2022 | 90.3% |
|------|-------|

(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.

(B) API previously tracked performance against Responsible Sourcing Guidelines (RSGs), with 90.3% compliance in 2021.

Taking action on sustainability continued

Forward on supply chain continued



Working with suppliers

Our suppliers

We source products from over 17,000 suppliers, and spent approximately €7.4 billion with them in 2022. On average in 2022, 85% of supplier spend was with suppliers based in our countries of operation in Europe and API.

We work with our suppliers to procure high quality raw materials and services, with sustainability in mind. We take an integrated approach to sustainability – making improvements and launching initiatives that support responsible sourcing, climate resilience, water stewardship and biodiversity. We are engaging with suppliers to identify common challenges and work together to decarbonise our value chain. As we grow, reducing emissions and the consumption of raw materials are among our biggest challenges. The table on the right illustrates some of the ways that we work with different groups of suppliers on these key areas.

Our Supplier Guiding Principles (SGPs) and Principles for Sustainable Agriculture (PSA)

The SGPs set out the minimum requirements we expect of all our suppliers in areas such as workplace policies and practices, health and safety, environmental protection, business integrity and human rights.

The PSA apply to agricultural ingredients and raw material suppliers and cover human and workplace rights, environmental protection and sustainable farm management. They also include specific forest and biodiversity conservation practices, such as no conversion of forests for new agricultural production, protection of endangered species, and, where possible, restoration of ecosystem services that our suppliers of agricultural ingredients and bio-based packaging materials are expected to implement.

| Supplier identification | Definition | Requirements for all suppliers | Specific requirements |
|-----------------------------------|---|---|---|
| Strategic suppliers | <ul style="list-style-type: none"> Directly managed and influenced by our procurement teams Represent about 80% of our addressable spend Engagement on sustainability extends to approximately 400 suppliers | <ul style="list-style-type: none"> In 2022, we launched our Responsible Sourcing Policy (RSP), which sets out mandatory guidelines for all our suppliers^(A) | <ul style="list-style-type: none"> Undergo an EcoVadis^(B) assessment and have a minimum score of above 50 overall and above 35 on each criteria Sustainability fully integrated in procurement processes and strategies |
| Carbon strategic suppliers | <ul style="list-style-type: none"> Subset of strategic suppliers Approximately 200 suppliers Represent about 80% of our Scope 3 GHG emissions | <ul style="list-style-type: none"> SGPs and PSA are incorporated into this policy RSP is incorporated into all new contracts, and are part of our standard conditions of purchase | <p>In addition to strategic supplier requirements, carbon strategic suppliers are encouraged to:</p> <ul style="list-style-type: none"> set science-based targets by 2023 in Europe and by 2025 in API shift to 100% renewable electricity by 2030 (Europe by 2025) |

(A) Responsible Sourcing Policy covers the mandatory guidelines that suppliers directly or indirectly (such as sub-contractors) must comply with to be able to do business with CCEP

(B) Provides a leading solution for monitoring sustainability in global supply chains

Priority Ingredients

We rely on agricultural ingredients to make and package our beverages. Ensuring these ingredients are sustainably sourced is a key priority for us. As climate change leads to more extreme weather and increased water stress, more sustainable agricultural practices will play a vital role in promoting resilience across our supply chain and in the communities that produce our agricultural ingredients.

Together with TCCC, we have identified 13 priority agriculture-based ingredients and bio-based packaging materials^(C). We manage the purchase of these key ingredients together with TCCC and other Coca-Cola bottlers, and therefore manage the issues that we face in our supply chain as a joint Coca-Cola system. As CCEP, we directly purchase sugar beet and sugar cane, pulp and paper, and track compliance with our PSA for these commodities.

(C) Sugar cane, sugar beet, high-fructose corn syrup, stevia, orange, lemon, apple, grape, mango, coffee, tea, soy, pulp and paper

Supplier risk

We assess suppliers across a multitude of criteria such as financial value, efficiency, innovation and risk. For our strategic suppliers, we carry out detailed evaluations including financial assessments and annual supply risk analysis. We hold regular meetings with suppliers to discuss key issues such as performance, innovation and sustainability.

We use data gathered through EcoVadis IQ to proactively manage sustainability risks. In 2022, we began to use Resilinc software, an artificial intelligence tool which helps us to proactively identify potential risks across our supply chain.

Protecting human rights

Protecting human rights is fundamental to how we run our business. We are committed to ensuring everyone who works at CCEP and in our supply chain is treated with dignity and respect.

We recognise that all our employees and supply partners have a role in identifying and mitigating human rights risks across our business. Employees and managers are empowered to recognise and address human rights risks and issues as they conduct their work and this extends to the arrangements we agree with workers and trade unions, membership of which we always foster.

Our human rights training was refreshed in 2022 to focus on modern slavery for procurement managers. Following the harmonisation of our Code of Conduct, Speak Up policy and Whistleblowing policy, we rolled out an internal communication campaign and compliance training packages across our business.

Taking action on sustainability continued

Forward on supply chain continued



Audit and compliance

Supplier standards compliance

We expect our suppliers to develop and implement appropriate internal business processes to ensure that they fully comply with our SGPs. Together with TCCC, we routinely verify and assess suppliers' compliance by using independent third parties. As part of the Coca-Cola system, we rely on independent

audits commissioned by TCCC to monitor supplier compliance with our SGPs. This includes juices and concentrates purchased from TCCC.

The audits include checks to ensure suppliers are not using child labour, forced labour or any form of modern slavery. To date, the audits

have covered over 95% of our suppliers of ingredients and primary packaging. If a supplier fails to uphold any aspect of the SGPs, the supplier is expected to implement corrective actions. TCCC 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 SGPs requirements.

PSA compliance is verified through adherence to a limited set of third party sustainable agriculture standards approved by TCCC.

| Raw material | Procurement method | Quantity and brands | PSA aligned third party standards | Compliance with standards |
|----------------------------|-----------------------|--|--|---|
| Beet and cane sugar | Directly by CCEP | <ul style="list-style-type: none"> • ~750k tonnes of beet sugar • ~350k tonnes of cane sugar | <ul style="list-style-type: none"> • Bonsucro • FSA Gold and silver • Redcert 2 | <ul style="list-style-type: none"> • Europe: 100% third party standard and PSA-compliant • API: 90.3% third party standard and PSA-compliant |
| Pulp and paper | Directly by CCEP | <ul style="list-style-type: none"> • Europe: ~85k tonnes of board for secondary and tertiary packaging, and marketing materials • API: ~50k tonnes of board for secondary and tertiary packaging^(A) | <ul style="list-style-type: none"> • Forest Stewardship Council (FSC) • Certification endorsed by the Programme for the Endorsement of Forest Certification (PEFC) | <ul style="list-style-type: none"> • Europe: 99.8% FSC or PEFC-certified and PSA-compliant • API: 98.3% FSC or PEFC-certified and PSA-compliant |
| Juice^(B) | The Coca-Cola Company | <ul style="list-style-type: none"> • Orange and lemon juice from concentrate, not from concentrate and puree are a key ingredients in a number of our products (e.g. Minute Maid) | <ul style="list-style-type: none"> • Sustainable Agriculture Initiative Platform (SAI) | <ul style="list-style-type: none"> • Europe: 92% PSA compliance for orange and 100% for lemon • API: 100% PSA compliance for orange and lemon |
| Coffee and tea | Directly by CCEP | <ul style="list-style-type: none"> • Grinders brand | <ul style="list-style-type: none"> • Rainforest Alliance • Fairtrade | <ul style="list-style-type: none"> • 64% compliance for this CCEP owned brand in API |
| | The Coca-Cola Company | <ul style="list-style-type: none"> • Costa, Chaqwa and Fuze Tea brands | <ul style="list-style-type: none"> • Rainforest Alliance • Fairtrade | <ul style="list-style-type: none"> • Europe: 98% PSA compliance for coffee and 100% for tea • 100% by 2030 in API |

(A) We aim to expand reporting on this category to include additional areas such as printed and point of sale material in the future.

(B) Coca-Cola trademark beverages with juice from concentrate, not from concentrate and puree as key ingredients.

Taking action on sustainability continued

Forward on supply chain continued



Supplier engagement on GHG emissions

Reaching Net Zero with our suppliers

Our suppliers are responsible for over 90% of our value chain GHG emissions. We will not meet our own GHG emission reduction targets unless we work in partnership with them.

We are engaging with our carbon strategic suppliers to encourage them to:

- set science based targets by 2023 (Europe) and 2025 (API)
- use 100% renewable electricity by 2025 (Europe) and 2030 (API)

We are also working together with TCCC to collect and validate emission factors directly from our suppliers, initially focusing on suppliers of our packaging and ingredients. This work will be critical in helping us to reflect the impact of our suppliers' actions more accurately.



Read about how we work with suppliers to reduce our emissions on page 39

Encouraging suppliers to reduce emissions

While 17% of our suppliers have already set science based GHG targets, a further 42% have committed to set science based targets, including those who may have already submitted targets to the SBTi.

Many of our suppliers will need support in order to be able to measure their emissions, and set GHG emissions reduction targets. To encourage them, we are working together with TCCC to engage suppliers in the Supplier Leadership on Climate Transition programme, a cross-industry collaboration, that aims to provide suppliers with resources, tools, and knowledge to support their own climate journeys. Participating suppliers are invited to attend a series of instructional seminars on developing a GHG emissions footprint, setting a science based target, adopting GHG emissions abatement measures and disclosing progress. Participants get direct mentoring, and instructions on how to build internal capacity and earn recognition for their accomplishments. In 2022, approximately 100 Coca-Cola system suppliers were engaged with the programme, and we will encourage and support more CCEP suppliers to join in 2023.



Case study

Sustainability-linked supply chain finance programme with Rabobank



We are encouraging our suppliers to take action, to make significant carbon reductions in their businesses.

In 2022, we implemented a new sustainability-linked supply chain finance programme, structured and operated by Rabobank.

The programme, one of the first of its kind in the global beverage industry, incentivises and rewards suppliers for improving their ESG performance.

It will provide competitive financing that is linked to a number of sustainability-driven KPIs, via an assessment from Ecovadis. Suppliers are able to access incremental discounts against the initial funding rate. This enables them to support our own plans to reduce GHG emissions across our value chain by 30% by 2030 (versus 2019) and reach Net Zero by 2040.



Find out more at coccolaep.com/annual-report/case-study/supply-chain-finance

Taking action on sustainability continued

Forward on drinks



The context

We aim to meet consumer needs through our diversified portfolio, working closely alongside TCCC and our other brand partners to provide consumers a greater choice of drinks and packaging sizes. We want to make it easier for people to manage their sugar consumption.

We support recommendations made by several leading health authorities, including the World Health Organisation (WHO), that people should limit their intake of added sugar to 10% of their total calorie consumption.

Our strategy

Consumers' habits and preferences continue to evolve. We know that people want a greater variety of drinks, including low and no calorie options, made from natural and sustainably sourced ingredients.

Working with TCCC and other franchisors, we are evolving our portfolio across all our territories, introducing new low and no calorie drinks and reformulating our recipes. Our portfolio also includes drinks produced with organic, Fairtrade and Rainforest certified ingredients.

Our focus is on empowering consumers to make more informed choices by providing product and nutritional information that is easy to understand, and by offering smaller and more convenient packaging sizes.

We ensure the responsible marketing and advertising of our products. This includes shifting our marketing spend to increase awareness of our low and no sugar options, while continuing to ensure we do not directly market any of our products to children under the age of 13.

In addition, we are working to deliver the highest product quality and safety to our consumers by incorporating The Coca-Cola Operating Requirements (KORE), which define operational controls and prioritise sustainable sourcing of our ingredients.

Targets and performance^(A)

Reduction in average sugar per litre^(B)

| | | Target |
|--------|------|-------------------------------------|
| | | 10% reduction by 2025 (versus 2019) |
| Europe | 2022 | 5.2% |
| | 2021 | 5.6% |

| | | Target |
|-------------|------|-------------------------------------|
| | | 20% reduction by 2025 (versus 2015) |
| New Zealand | 2022 | 15.9% |
| | 2021 | 13.4% |

| | | Target |
|-----------|------|-------------------------------------|
| | | 25% reduction by 2025 (versus 2015) |
| Australia | 2022 | 16.8% |
| | 2021 | 14.9% |

| | | Target |
|-----------|------|-------------------------------------|
| | | 35% reduction by 2025 (versus 2015) |
| Indonesia | 2022 | 31.6% |
| | 2021 | 20.9% |

Products sold that are low or no calorie^(C) Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025)

| | | Target |
|--------|------|-------------|
| | | 50% by 2025 |
| Europe | 2022 | 48.8% |
| | 2021 | 48.6% |

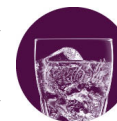
(A) The Acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.

(B) For Europe this includes sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice. For API, this includes all NARTD, including dairy. Does not include coffee, alcohol, beer or freestyle.

(C) Complete data for Group and API not available for 2022 reporting. We aim to report on this indicator for Group and API in 2023.

Taking action on sustainability continued

Forward on drinks continued



Great taste, less sugar and offering consumers more choice

Reducing sugar in our soft drinks

We are a long-standing member of the Union of European Soft Drinks Associations (UNESDA) and fully support its commitment to reduce average added sugars in soft drinks by another 10% by 2025 (from 2019) across Europe. This would represent an overall reduction of 33% in average added sugars in the past two decades.

In our key API markets we also have the following 2025 sugar reduction targets (versus 2015) to reduce the average sugar per litre in our NARTD portfolio:

- by 20% in New Zealand
- by 25% in Australia
- by 35% in Indonesia

Focus on low or no calorie drinks

We are aiming for over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025).

Over the past year, we have continued to encourage people to reduce their daily sugar intake, raising awareness of our low calorie drinks via our point of sale communications and by promoting low and no sugar options.

In API, we are introducing and promoting more low and no sugar drinks with a focus on zero sugar sparkling drinks. This includes the promotion of Coca-Cola No Sugar in remote Indigenous communities in Australia in collaboration with our retail partners and their communities.

Case study Enhancing our no sugar ranges



Working with TCCC and other franchisors, we're continuing to reduce sugar across our portfolio, by reformulating our recipes and by introducing more low and no calorie drinks.

In 2022, we introduced a new Fanta Zero flavour in Sweden and reformulated Sprite in Indonesia to reduce sugar content. We also launched limited edition Coca-Cola Creations, all without sugar.

In New Zealand and Papua New Guinea, we launched Coca-Cola Zero Sugar with a new taste and look campaign. One in two Coca-Colas purchased in New Zealand now contain no sugar.^(A) Following its success in Europe, we also launched no calorie What The Fanta in Australia.

We also offer the Monster Ultra range, which includes seven no-sugar energy drinks, contributing to our commitment to offer more drinks with reduced or no sugar.

Find out more at cocacolaep.com/sustainability/this-is-forward/forward-on-drinks

(A) Based on Nielsen Total Measured Market RMS Scan October 2021. Supermarkets, petrol stations, some convenience stores and licensed retail outlets

Consumer choice Category

Our portfolio includes carbonated and still soft drinks, energy drinks, RTD teas, flavoured dairy, organic soft drinks, beverages with nutritious benefits, coffee and alcohol. We offer consumers a wide range of drinks for every taste and occasion, including drinks with or without sugar.

See Our portfolio section for further details on pages 2-3

Organic, Fairtrade and Rainforest Alliance certified

We have a range of organic drinks that include ingredients that are sustainably sourced. In Europe, we have 21 organic products in our drinks portfolio, making up 0.1% of our total sales volume. In New Zealand, our Most brand includes six products which contain certified organic fruit and do not feature any preservatives, artificial flavours or colours.

1.9% of our total sales include Fairtrade certified or Rainforest Alliance certified ingredients, including the following brands:



Smaller packaging sizes

We are working to provide a greater range of smaller, more convenient packs, which can make it easier for consumers to control their sugar intake. In 2022, approximately 5% of our drinks were enjoyed in packages of 250ml or less^(B) (Europe ~4%; API ~7%).

Clear, straightforward information

We are committed to providing clear and transparent nutritional information, including detailed sugar and calorie content. We align with all global and local legislation and support colour based interpretive product labelling in Europe.

We pioneered Guideline Daily Amount (GDA) labelling on our drinks in Europe in 2009, and now we also include front of pack, colour coded labelling in Great Britain, Belgium, France, Luxembourg and the Netherlands on our sparkling soft drinks.

In 2021, we adopted the voluntary front of pack Health Star Rating on all our non-alcoholic drinks in Australia and adopted the same approach in New Zealand in 2022. The labelling system rates the nutritional profile of our drinks and helps consumers make healthier choices.

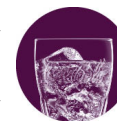
In all our territories, where front of pack labelling is not possible (for example, on returnable glass bottles), nutritional information is available on our websites.

Our larger bottles sold in Europe, Australia and New Zealand feature a servings per packaging icon, indicating the number of 250ml portions in a multi serve packaging.

(B) Based on unit case sales

Taking action on sustainability continued

Forward on drinks continued



Responsible marketing - safety and quality of ingredients

Responsible marketing

Responsible sales and marketing principles

We ensure responsible sales and marketing practices by providing clear guidelines for the marketing of our products, covering all brands and products manufactured or sold by CCEP.

These recently updated principles cover all media formats, point of sale materials and all of our packaging. They provide guidance to ensure that we are honest and transparent in everything we do, that we do not mislead consumers and that we take every opportunity to help them make informed choices about what they drink.

Our responsible sales and marketing principles encourage responsible drinking and comply with all relevant laws, regulations and industry codes on the marketing and sale of alcohol. Where we distribute drinks that contain alcohol, we respect the local code of practice for responsible marketing and promotion, including messaging on responsible drinking and marketing products in channels, such as hospitality, where consumers are adults over local legal purchase age. Our non-alcoholic drinks are often consumed on social occasions where alcohol is involved and can be mixed with alcoholic beverages.

In API, we adhere to local industry voluntary commitments such as the Alcohol Beverages Advertising Code and DrinkWise, Australia's voluntary labelling guidelines.

No marketing to children

We respect the role of parents and caregivers as the primary decision makers over what children drink.

Together with TCCC, we have a long-standing policy not to advertise or market any of our products to children under 12. In 2022, we raised this to include children under 13, with higher age limits in specific regions.

We play a proactive role in leading local industry coalitions to strengthen our actions, particularly in the rapidly evolving digital and social media environment.



Find out more about our marketing policies at cocacolaep.com/sustainability/this-is-forward/forward-on-drinks/

Research and development

We manufacture and distribute products designed and formulated by TCCC and other brand owners. We work to influence our partners to innovate, creating new products that will meet consumer needs.

TCCC's second-largest innovation centre is based in Belgium, where products for Europe, the Middle East, Africa and part of South Asia are developed. We do not have our own research and development centre, but we do develop new innovative packaging concepts and work to install less energy, water and carbon intensive beverage manufacturing technology.

Food safety

We adhere to The Coca-Cola Operating Requirements (KORE), which define operational controls and prioritise sustainable sourcing of ingredients.

All CCEP production facilities are certified to the internationally recognised food safety standard, FSSC 22000. In addition, all of our European and Indonesian production facilities are OHSAS 18001/ISO45001 certified.

All CCEP employees have a responsibility to ensure that we only supply safe products by following the relevant policy guidelines, procedures and processes at our production facilities and throughout our entire supply chain.

Food additives

The food additives we use have been approved as safe by globally recognised authorities, including the Joint FAO/WHO Expert Committee on Food Additives (JECFA), the European Food Safety Authority (EFSA), and the Food Standards Authority of Australia and New Zealand (FSANZ).

We only use additives in our drinks when they are needed for preserving, colouring, sweetening or balancing acidity. We provide information about the ingredients used in our beverages, including any food additives.

Case study

Quality and food safety awareness training



Producing safe and high quality products that our consumers can trust is at the heart of everything we do and is an essential part of who we are.

In 2022, we launched a new mandatory training module for our employees – Quality and Food Safety Awareness – to continue our focus on safety and wellbeing.

Through the training, our employees learn about the importance of our food safety and quality programmes, and recognise their own role in ensuring we can provide high quality and safe beverages for our customers and consumers.



Read our quality and food safety policy in our policy hub at cocacolaep.com/about-us/governance/

Taking action on sustainability continued

Forward on society – communities



The context

Our local communities often face significant societal challenges, including high levels of inequality, youth unemployment and social exclusion. Many are also increasingly exposed to the most severe impacts of climate change, including extreme weather events, flooding and bushfires.

We are determined to make a positive difference in our local communities by acting as a force for good, championing inclusion and supporting economic empowerment.

Our strategy

We are proud to have been closely connected to our communities for many generations – through our local production facilities, the drivers who deliver our products and the employees who make and sell our drinks.

Through our community investment programmes and activities, we seek to make a lasting positive contribution within our local communities. This involves supporting grassroots community programmes and partnerships, promoting inclusion and diversity, and equipping people from underrepresented groups with the skills, confidence and opportunities to succeed in life and the workplace.

We are also committed to protecting our local environment through investment and employee volunteering. Our volunteering policy enables our employees to participate in a wide range of volunteering activities that align with our This is Forward commitments, including litter clean up campaigns, charity fundraising events and skills-based volunteering.

We measure the value of our contribution to local communities through the Business for Societal Impact Framework and will continue to enhance the way we measure the social impact of our investments.

Targets and performance^(A)

Community contribution

Total community investment contribution^(B)
(€ millions)

Group

| | |
|------|------|
| 2022 | 12.2 |
|------|------|

Europe

| | |
|------|------|
| 2022 | 10.7 |
| 2021 | 9.2 |

API

| | |
|------|-----|
| 2022 | 1.5 |
| 2021 | 1.8 |

Supporting Skills Development^(C)

Support the skills development of 500,000 people facing barriers in the labour market by 2030

Volunteering hours

Number of hours volunteered
by our employees

Group

| | |
|------|--------|
| 2022 | 28,562 |
|------|--------|

(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.

(B) Group total community investment contribution equated to 0.6% of profit before tax on a comparable basis

(C) New target. Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

Taking action on sustainability continued

Forward on society – communities continued



Community investment, employee volunteering and customer engagement

Supporting skills development

We believe that everyone should be given the opportunity to fulfil their potential – by gaining access to meaningful employment, learning a new skill or starting a business.

We support a wide range of programmes across our markets, including a partnership with the Refu Interim project in Belgium, which encourages young, new immigrants to get acquainted with the labour market, helping them in their professional development. Across Indonesia we collaborated with local NGOs, universities and other associations throughout the year to provide mentorship programmes to support over 115 micro, small and medium enterprises.

Promoting social inclusion

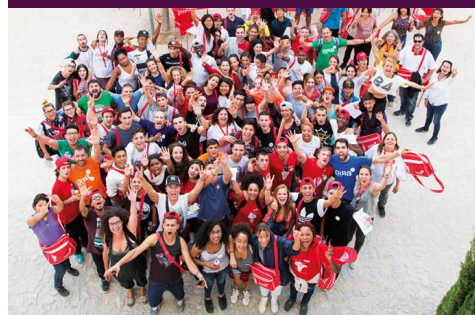
With TCCC, we are a long-standing supporter of Special Olympics, which is the world's largest sports organisation for children and adults with intellectual and physical disabilities. Our support in Belgium, France, Germany, Great Britain and the Netherlands includes volunteering, financial support and product donations.

In 2022, we organised the sixth edition of GIRA Mujeres in Spain, a training programme for female entrepreneurs. The programme offers training, education and empowerment to women aged 18 to 60 who want to develop a business idea through entrepreneurship within the food and beverage, and leisure and tourism sectors. In 2022, over 800 women participated in the programme.

In Australia, in partnership with The Coca-Cola Australia Foundation (CCAF), we support IndigiGrow, a programme run by First Hand Solutions; an organisation that focuses on providing young Aboriginal people with the opportunity to work, gain skills and knowledge from positive Aboriginal role models and community elders. With the help of the CCAF, First Hand Solutions has been able to expand

its IndigiGrow programme, which aims to sustain people, land and culture through the propagation of native plants, including bush foods. The CCAF supports the employment of those who are empowered to take on operational roles within the plant nursery.

Case study Supporting skills development



Many of our existing community partnerships already support skills development, so in 2022 we set a new target to support

500,000

people facing barriers in the labour market by 2030.

For example, our GIRA Youth programme in Spain promotes employability, skills development and vocational training for young people from disadvantaged backgrounds. The programme celebrated its 10th anniversary in 2022.



Find out more at cocacolaep.com/sustainability/this-is-forward/forward-on-society-our-communities

Support for local communities

Our Support my Cause initiative enables our people to nominate and support grassroots charitable and community causes. Following its success in Europe, we launched the programme in Indonesia and New Zealand in 2022.

In 2022, we donated €270,000 to 38 local charities and community groups across our territories. In addition, we donated over €480,000 to support 135 grassroots charitable and community partnerships located close to our sites and offices.

In Australia, we continued our Employee Connected Grants programme partnership with the CCAF. This programme provides our people the opportunity to support charities that they care about or have personal connections with. We also support philanthropic and cultural organisations nominated by CCEP and Coca-Cola South Pacific employees.

Disaster response and resilience

In 2022, we assisted first responders during environmental disasters and social unrest by donating bottled drinks to affected communities. We also made financial donations to disaster relief organisations.

For example, in January we provided financial relief and shipped 35,000 bottles of Pure Drop water to the Tongan community within the first week following the tsunami. In response to the earthquake that struck Cianjur in Indonesia we distributed 500 cases of drinks and provided financial aid.

We have also provided support for Ukraine. To date, we have donated €250,000 and over 36,000 unit cases of drinks to the Red Cross in Ukraine. We also organised an employee donation campaign and support scheme for employees housing Ukrainian refugees.

Employee volunteering

As part of our commitment to support local communities, our employees can spend up to two paid working days each year volunteering for a charity or cause of their choice.

We encourage our people to participate in volunteering activities that align with our This is Forward commitments, such as litter clean-up campaigns and charity fundraising events.

In Great Britain, ahead of the 2022 Birmingham Commonwealth Games, we partnered with the Canal & River Trust, to improve and enhance the environmental wellbeing of three key areas along the Birmingham canal network. CCEP provided funding and volunteer support to the project.

At the end of 2022, we joined forces with multiple organisations across Spain to deliver more than 24,000 Christmas meals to vulnerable families across 24 Spanish cities. Hundreds of Coca-Cola volunteers joined the initiative, delivering meals and supporting in organisational and logistical tasks.

Partnerships with our customers

In 2022, we used the power of our Australian water brand, Mount Franklin, to join forces with major supermarket Coles, to support food relief organisation, SecondBite. As part of this partnership, we donated 20 cents to SecondBite from each specially marked 20x500ml pack sold at Coles stores nationally. The initiative continues until March 2023 and is on track to reach its goal of donating the equivalent of one million meals to Australians in need.

During the year, we also established a new community partnership in the Netherlands with the Refugee Company, a charity that provides hospitality industry training for refugees who have recently settled in the Netherlands.

Taking action on sustainability continued

Forward on society – people



The context

We owe our success to the passion and commitment of our talented people.

We are passionate about what we do and what we stand for, and our people are empowered to make a difference.

We foster a workplace that promotes wellbeing, inclusion and respect, where people at every level can be heard, grow and have a positive experience.

Our strategy

Our people strategy, Me@CCEP, sets out our common culture and values. These include: being valued, being well, being recognised, being developed, being connected and being inspired.

We aim to be an organisation where people feel they belong and where our inclusive culture drives innovation and performance, creating a trusted and successful business that our colleagues, customers and communities admire and support.

Our people's physical and mental wellbeing remains our priority and we promote this in our workplace. We continue to embed a strong health and safety culture through systems, processes and programmes. Our Health, Safety and Mental Wellbeing policy ensures we are working to adopt best practices.

Targets and performance

Gender diversity

45% of management positions to be held by women by 2030^(A)

| Group | Target |
|-------|----------------------|
| 2022 | 45% by 2030 37.2% |

Safety

Reduce our total incident rate (TIR) to below 1 by 2025

| Group | Target |
|-------|------------|
| 2022 | <1 0.87 |

Europe

| Europe | Target |
|--------|------------|
| 2022 | <1 1.04 |

API

| API | Target |
|------|------------|
| 2022 | <1 0.62 |

Gender diversity

A third of our workforce to be women by 2030

| Group | Target |
|-------|----------------------|
| 2022 | 33% by 2030 23.8% |

Disabilities^(B)

10% of our workforce represented by people with disabilities by 2030

(A) Excludes Papua New Guinea, Fiji and Samoa as aligned role grades not available for 2022 reporting. We aim to include these markets for 2023.

(B) New target. Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

Taking action on sustainability continued

Forward on society – people continued



Being valued

Inclusion, diversity and equity strategy

Our philosophy is that everyone's welcome to be themselves, be valued and belong. We are committed to building a diverse workforce, with an inclusive culture and equity at its core. We believe this commitment will enable us to take positive action for our people, better represent the communities we serve, and support our sustainable business growth.

We have created an environment for people of every culture, faith, ethnicity, heritage, ability, gender identity, sexual orientation and age to contribute to the growth of CCEP; a place where everyone feels respected and able to share their ideas and perspectives.

Led by our Inclusion, Diversity and Equity (ID&E) Centre of Expertise and sponsored by our ELT, we deliver our philosophy by listening to our people's lived experiences, developing action plans and tracking progress against our five pillars: culture and heritage; disability; gender; LGBTQ+; and multi generations.

We have dedicated groups of employees and ELT sponsors to influence action at scale and remove identified barriers to inclusion.

Within our This is Forward sustainability action plan, we have set a target of ensuring that at least 45% of management positions (middle management and above) are held by women by 2025.

Leadership accountability

To work effectively across our diversity pillars, our Everyone's Welcome Steering Committee, comprising ELT sponsors, works with leaders and ambassadors to provide greater leadership accountability, to understand the barriers for underrepresented communities, and to identify and deliver meaningful actions and measure impact.

Our detailed ID&E scorecard enables us to measure and benchmark our progress. Every quarter, we review the progress of each BU and function against its action plans. In addition, each executive sponsor has their own performance objectives.

Our progress

Throughout 2022, we ran three targeted campaigns aimed at further embedding our Everyone's Welcome philosophy. We focused on established, internationally recognised celebrations: International Women's Day, Pride month and International Day of Persons with Disabilities.

Promoting diversity in recruitment

To ensure a sustainable pipeline of diverse talent, our programmes and activities promote inclusion and diversity at every stage of the candidate and employee journey, from recruitment and apprenticeships, to training, development and progression. These activities are supported by our clear inclusion and diversity policies, and in 2022, we launched our first Inclusive Recruitment Principle and Candidate Charter.

We use targeted attraction strategies and specialist job boards, with inclusion and diversity-specific audiences and content to promote our inclusive culture. We share information and stories from our own people on their inclusion experiences on social media and our careers website to showcase our philosophy that everyone can be themselves and belong at CCEP.

We work with specialist external partners to help us reach underrepresented communities across the markets we serve and to learn how to improve our pipeline of diverse talent.

We work to support and protect our people, now and in the future. We welcome people from all backgrounds, faiths, cultures, sexual orientation and abilities, ensuring we have the appropriate training and support for the employment and progression of people with disabilities.

Partnerships to support diversity

As part of our commitment to building a workplace that embraces ID&E, we partner with relevant organisations, and support industry-wide pledges to build a more diverse consumer sector.

As well as signing the LEAD Network pledge and the Valuable 500 pledge to accelerate gender parity and inclusion, and put disability inclusion on our business leadership agenda, we have also signed the UN Women's Empowerment Principles. This set of seven principles guides us in promoting gender equality and women's empowerment in the workplace, marketplace and community – based on international labour and human rights standards.

We are also members of the Business Disability Forum, Stonewall's Diversity Champions programme, global LGBTQ+ leadership community RAHM, the European Network Against Racism and the Social Mobility Index.

In 2022, we proudly became the first beverage company to be listed on the Global Stonewall Workplace equality index achieving Bronze status.

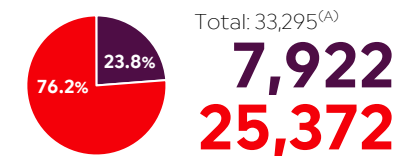
(A) CCEP full time, part time and temporary active corporate employees. Full time equivalent employees as at 31 December 2022. Includes one employee who did not declare.

(B) The members of the ELT and their direct reports consists of 109 female and 175 male employees.

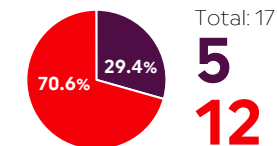
Workforce diversity 2022

Female Male

Total employees
(including part time employees)

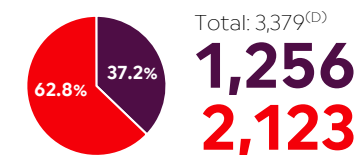


Board of Directors

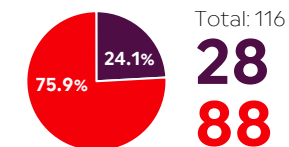


Leadership

(senior management grade including ELT)^{(B)(C)}



Directors of subsidiary companies^(C)



(C) 20 female and 51 male directors of subsidiary companies are also included in the workforce diversity statistic under leadership.

(D) Excludes Papua New Guinea, Fiji and Samoa as aligned role grades not available for 2022 reporting. We aim to include these markets for 2023.

Taking action on sustainability continued

Forward on society – people continued



Being well

Wellbeing and safety strategy

We prioritise our people's physical and mental wellbeing, and provide a safe and healthy work environment. We expect all employees, contractors and individuals under our supervision to follow our policies, procedures and processes to mitigate risks at all times.

We encourage our people to take action if they become aware of any activity, situation or behaviour that could compromise the physical or mental wellbeing of another person, and report any harms avoided. Managers are responsible for ensuring that workplaces, processes and equipment are kept safe, and must prioritise the wellbeing of their people.

If our people are injured or suffer any mental or physical health issues, we endeavour to make any reasonable adjustments to their duties and working environment to support their recovery and continued employment. Our Board receives regular updates from the CEO on the health and safety of our people, including COVID-19 challenges.

Safety commitment

We believe all injuries are preventable and that no task is so important that it can't be done safely. We aim to reduce our total incident rate (TIR) to below 1 by 2025 and our lost time incident rate (LTIR) to below 0.5. Tragically, in 2022, there were two employee fatalities in Indonesia. The incidents were investigated with the local authorities and we continue to improve our safety procedures to prevent a reoccurrence.

We consult in each BU with employees and employee representatives through committee meetings, risk mitigation workshops, works councils and union meetings. We have quarterly performance review meetings with local leaders as well as the ELT, with clearly defined annual plans. We set and

communicate targets throughout the organisation, based on actual performance and sustainable improvement. All our health and safety policies are signed and approved by our CEO.

Measuring safety performance

Our integrated management systems and programmes measure our safety performance using TIR and LTIR^(A).

We have a contractor management system in place across all our territories. Under this system, all contractors are required to pass a risk-based assessment before they are permitted to work at our sites. We track contractors' lost time incidents, but we cannot calculate their LTIR as we do not have visibility of their work hours, only their hours spent on site. In 2022, there were 13 contractor lost time incidents across our markets.

Safety management systems

Our health and safety management system covers our supply chain (production facilities, procurement and distribution), our commercial teams, our support functions, and contractors, aiming to mitigate risks and promoting a culture of safety for our employees to learn from.

Tools like dynamic risk assessment, management safety walks, safety conversations, capturing learnings through near-misses and potential events are commonly used. Any potential hazard or work incident is investigated by a diverse investigation team to identify and prioritise the short-, mid- and long-term action plans and communicate learnings.

^(A) TIR counts any injury per 100 full time equivalent (FTE) employees that requires medical treatment beyond First Aid. LTIR calculates incidents per 200,000 hours worked, which is equal to 100 FTE employees resulting in time away from work.

We provide health and safety training to our employees because it is essential for capability and competency development. We align the training to the required global Coca-Cola system health and safety procedures and CCEP risk management procedures. All health and safety training is aligned with local health and safety regulations. CCEP is an active member of the TCCC Global Safety Committee and proactively corresponds to any learnings coming through the network.

Supporting our people

We communicate clear expectations and role descriptions, and provide constructive and appreciative feedback to our colleagues. Our managers ensure that workloads enable employees to do their best and are not overwhelming or under-demanding.

We offer flexible working where possible, respecting the right of employees to work or to be disconnected outside of their regular working hours where appropriate based on their personal needs, according to our "Ways of Working" policy. In Great Britain, employees can request home-based, remote working and flexible hours. In Germany, they can request reduced annualised or compressed hours. Some countries have also negotiated working from home collective bargaining agreements.

At a number of our sites, we provide childcare services. In France, we offer day care solutions for the children of our employees in our headquarters and some production facilities. In Belgium and Luxembourg, we offer childcare (Teddy Care) for ill children between three months and 12 years of age. In the Netherlands, we provide a private place for breast feeding mothers. We also have a maternity policy and adoption leave policy, which varies by country based on local legislation and practice.

In June 2022, we conducted an engagement survey. The results showed that we have made the most progress in workplace safety and the wellbeing of our people. We have opportunities in removing barriers for our people to do their work, how we communicate effectively and provide learning opportunities.

In 2022, we grew our Mental Health First Aider initiative and expanded an internal mental health support network to over 800 trained employees across our territories. Over 1,000 people have received support and benefited from our Employee Assistance Programme (EAP), a 24/7 independent service offering free professional counselling, self-help programmes, interactive tools and educational resources for our people and their family.

Case study Mental health and wellbeing campaigns



In 2022, to celebrate two world safety and mental health days in April and October, we organised wellbeing campaigns. The focus was on raising awareness of our people and leadership training programmes, our network of wellbeing leads and First Aiders and our EAP. We also organised various mental wellness sessions to motivate our employees to take care of their physical and mental health.



Read more at cococolaep.com/annual-report/case-study/people-safety

Taking action on sustainability continued

Forward on society – people continued



Being recognised, developed, connected and inspired

Employee benefits

We pay fairly and in line with appropriate market rates, and provide our people with benefits according to their country and level in the organisation, including packages to cover sickness, post-natal childcare, bereavement or a long-term illness in the family. We also offer pension plans, life insurance and medical plans, as well as many others benefits.

In 2022, we launched the new global Employee Share Purchase Plan (ESPP), which gives our employees the opportunity to buy Shares in CCEP on a regular basis. For every share an employee purchases, CCEP will provide a matching share, up to an agreed limit. In Great Britain, we offer a similar opportunity under an employee share plan, which makes use of a tax-efficient opportunity for employees to become shareholders through salary sacrifice arrangements. Around 38% and 76% of eligible employees were participating in the global ESPP and Great Britain share plan, respectively, on 31 December 2022.

Around three-quarters of our employees participate in annual variable remuneration plans. We offer an annual bonus plan to around 13,000 people across the organisation (39% of our total workforce). In addition, we offer sales incentive plans to 25% of our people, and a further 24% participate in local incentive plans. We operate a Long-Term Incentive Plan (LTIP) for around 300 people who occupy the most senior roles in the business. Bonuses are linked to the delivery of commercial and sustainability goals with the LTIP being linked to ROIC, EPS and CO₂e targets.

Pay equity

We are committed to being an equal opportunities employer. We make decisions about recruitment, promotion, training and other employment issues solely on the grounds of individual ability, achievement, expertise and conduct.

To ensure that line managers make appropriate pay decisions, we provide training and support. We monitor pay equity within our territories.

Employee development

Our range of training programmes and platforms develop core capabilities in leadership, commercial, customer service and supply chain at every level of our business.

We offer training opportunities using our digital learning platforms Juice and Academy. These platforms are available on any device, so our people can access them easily. Using the MyPerformance@CCEP app and Me@CCEP platform, employees can create their own talent profile and understand their objectives, feedback and development.

We value and invest in our early career talent and support initiatives that help young people gain employability, skills and confidence. This includes offering internships, apprenticeships and graduate programmes. For the eighth year, we have partnered with One Young World, the global forum for young leaders. 28 CCEP delegates attended the 2022 summit in Manchester and participated in an internal post-development programme.

We have ID&E learning modules on practising inclusive leadership, starting an ID&E conversation and allyship. Underpinning this formal learning is a series of resources, which include conversation guides on LGBTQ+, allyship, inclusive language, discussing disability and addressing age stereotypes, as well as an accessible communication toolkit.

We have training on anti-harassment and ID&E in the workplace which is mandatory for people managers and the People and Culture team.

Engaging with employees

Good communication is an essential part of building a motivated, engaged workforce. We are committed to communicating clearly and transparently with our people and their representatives.

Employees have access to news and information about CCEP in local languages through digital platforms and printed materials, and direct dialogue through business talks and all hands meetings. CCEP management gives updates about CCEP's overall, and local, performance through these channels, as well as through our published results. People also have opportunities to hear from and ask questions to our Board.

We have extended our digital solutions for employees to make it easier for them to access policies, training and key data on pay and performance.

We aim to uphold freedom of association and collective bargaining as a human right according to our Human Rights policy. Where applicable, we consult with our people and their representatives to discuss proposed measures before making decisions.

CCEP has set up forums to ensure that the voice of employees is heard and taken into consideration.


Following our commitment, we meet regularly with European Works Council, national and local works councils, as well as trade unions that represent our people, in all our territories where we operate. Around 50 unions represent our employees throughout our territories.

Our policies are written in a way that is easy to understand and are accessible in local languages. We review our global policies annually to ensure they are up to date with legal requirements and relevant for business and social strategies.

Employees supporting local communities

We are determined to draw on our people's passion for what we do and empower them to make a positive difference in our local communities.

As part of our support for local communities, our employees can spend up to two paid working days each year volunteering for a charity or cause of their choice.

 [Read about employee volunteering on page 57](#)

Taking action on sustainability continued

Forward on society – people continued



Being responsible

We aim to live up to our responsibilities as a business by being accountable, ethical and aware of the risks in everything we do.

At CCEP, we hold ourselves accountable to the highest standards of corporate governance and aim to provide transparent and timely information in respect of our activities to our stakeholders. CCEP has a strong corporate governance framework with a Board overseeing the interests of all stakeholders.

Management has a Compliance and Risk Committee (CRC) chaired by the Chief Compliance Officer (CCO) which oversees the ethics and compliance (E&C) function and provides management input regarding the E&C programme.

Read about our corporate governance
on pages 97–107

Ethics and compliance

Our E&C programme for all our employees and Directors is designed to ensure we conduct our operations in a lawful and ethical manner. It also supports how we work with our customers, suppliers and third parties.

Code of Conduct

Our Code of Conduct (CoC) seeks to ensure that we act with integrity and accountability in all our business dealings and relationships. Our policies also drive compliance with relevant legislation. We expect everyone working at CCEP to adhere to the CoC, which was updated in 2022.

The CoC covers issues such as 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 UKGC, the EU General Data Protection Regulation, the Spanish and Portuguese Criminal Codes and Sapin II.

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.

All employees are required to undergo CoC training, which is also a part of the induction process for new employees. Training on specific topics related to their roles is also provided where needed. Our CoC specifically calls out manager responsibilities and includes a matrix to help with decision making and guidance on situations such as bullying and harassment.

Read our CoC at www.ccepcoke.online/code-of-conduct-policy

Preventing bribery and corruption

We aim to prevent all forms of bribery and corruption in our business dealings. Our CoC sets out our principles and standards to prevent bribery and corruption, including conflicts of interest and the exchange of gifts and entertainment.

Our Gifts, Entertainment and Anti-Bribery policy applies to all employees. There is a mandatory training for a targeted audience.

Find our policy hub at cocacolaep.com/about-us/governance

Raising concerns

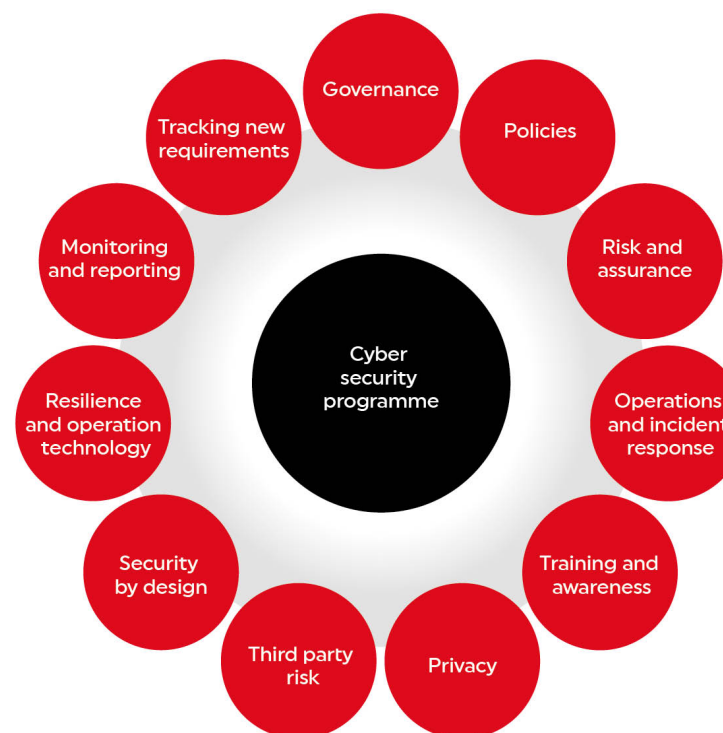
Any employee who wishes to raise concerns about wrongdoing at CCEP is encouraged to seek advice from their line manager and/or raise a report through our internal Speak Up Resources and/or dedicated and confidential external Speak Up channels. When any employee raises a concern in relation to the CoC, CCEP will act promptly and appropriately. We also encourage our employees to raise concerns in the moment and ask "Is it Coke?"

Promoting cyber security culture

CCEP's Information Security Governance Committee and Chief Information Security Officer (CISO) oversee CCEP's cyber security programme, illustrated below.

Our actions promote a cyber security culture where everyone feels a responsibility to prevent cyberattacks. During 2022, we increased the training modules for our employees and promoted awareness during a cyber security week.

Our designated INED engaged in the cyber security and strategy process, John Bryant, ensures strong Audit Committee and Board oversight. Results of phishing simulations and training are regularly reported to the Audit Committee.



Taking action on sustainability continued

Forward on society – people continued



Respect for human rights

We are committed to ensuring everyone who works at CCEP and in our supply chain is treated with dignity and respect. We consider human and workplace rights to be inviolable and fundamental to our sustainability as a business. We support the 10 principles of the UN Global Compact.

Our principles regarding human rights are set out in our Human Rights policy, which is aligned with accepted international standards and CCEP's CoC.

Further information on our principles regarding human rights is provided in our SGPs and PSA. These set out the requirements of our suppliers related to business ethics, human and workplace rights, the environment, and providing benefits to communities.

Modern slavery

We have a zero-tolerance approach to modern slavery of any kind, including forced labour, and any form of human trafficking within our operations, and by any company that directly supplies or provides services to our business. In 2017, we published our first Modern Slavery Statement in accordance with the UK Modern Slavery Act 2015, and continue to update this annually. In API, we published our first Modern Slavery Statement in 2020 following the Australian Modern Slavery Act 2018 (Cth).

In 2022, we published our first joint Modern Slavery Statement valid for both business areas. It sets out the steps taken by CCEP and its Group companies to prevent, identify, and address modern slavery risks across our business and supply chain.

➤ **See our modern slavery statements**
at cocacolaep.com/about-us/governance

Human rights risk assessment

As a result of human rights risks assessments that have been completed in Europe and API, we have identified 12 areas as priority issues for CCEP, as summarised in the human rights risk assessment table to the right.

The effective tracking and management of these risks also ensures compliance with relevant legislation.

In 2022, we conducted three additional country-specific or situation-based risk assessments in Spain, Norway and Indonesia. In follow up of these assessments, we established a working group in Spain, responsible for analysing the current measures in place to prevent human rights breaches in the area of temporary contracts and the short-time work scheme. In Norway and Indonesia, we anticipate publishing a report in 2023, including measures to be taken.

➤ **Find out more about our approach to human rights** at cocacolaep.com/sustainability/human-rights

Human rights risk assessment: priority issues



Migrant and temporary workers



Data protection



Right to privacy



Wages



Equality and non-discrimination



Forced labour



Health, safety and security



Freedom of association



Working hours



Freedom from bribery and corruption



Cultural rights of minorities



Children and young people's protection from exploitation

Principal risks

Our enterprise risk management (ERM) framework addresses the principal risks we face as a business and how we identify, assess and manage them.

Our approach to risk

Our Board has overall responsibility for risk management at CCEP. The Board and senior management are involved in the identification of principal and emerging risks, our strategic response to them, and oversee management's actions to achieve our strategic objectives. To support this, risk management is embedded within our daily operations and culture.

We identify, assess and manage risks in a systematic and structured way, using appropriate risk management tools and methodologies, implemented at various levels of our business. CCEP's ERM framework looks at risks we face and the opportunities we have.

Since the creation of CCEP we have continually enhanced our risk management capabilities through consultation and collaboration across the business and external benchmarking. The focus in 2022 was on building strategic scenario planning capabilities (for climate change risk), applying advanced technologies to support the identification of emerging risks and quarterly internal risk reporting to support management decision making. We review and adapt our risk and internal control systems to address the changing risk environment and to adopt best practices.

Through our One Risk Office, a forum that brings together second and third line of defence representatives, we share risk management knowledge across all functions and countries in which we operate. We discuss emerging risk themes or external factors that could impact our business. We regularly invite external risk experts and risk leaders from other organisations to help us broaden our horizons and review our understanding of risk.

Identifying and assessing risk

To gain an understanding of the risks CCEP faces, we assess risks top down and bottom up.

Our annual enterprise risk assessment (ERA) gives us a top down strategic view of risk at the enterprise level. During the ERA, we carry out a risk survey with our top business leaders, followed by interviews with the Board and Executive Leadership Team (ELT) to identify current and emerging risks. We periodically review and update our assessment processes. In 2022, we received feedback from over 100 of our senior leaders, including all Board members.

In 2022, we started conducting the interviews in small groups to trigger insightful conversations among participants for specific risks. We have also started the analysis of interdependencies between our defined risk categories. A deeper understanding of such interdependencies will help us define our risk mitigations and controls more effectively.

To gain a bottom up view of risk, from an operational perspective, we carry out risk assessments at a business unit (BU), functional and project level. Each BU has established local compliance and risk review processes, undertaken by its local leadership team. The local leadership teams review and update risk assessments, ensuring that risk management is incorporated into business routines.

Day to day ERM work is overseen by the Compliance and Risk Committee (CRC), a management committee chaired by the CCO. Every quarter, the CRC invites risk owners to share updates on key risks and how they are being managed. In 2022, these included updates on: geopolitical risks and action plan updates, business continuity and resilience planning, CoC, safe culture and fair treatment, human rights and policy management, GDPR compliance, corporate security and corporate integrity programme, health and safety and wellbeing campaigns. We also share and discuss results of targeted risk exercises such as assessments, scenarios and simulations. The CRC reports to the Board Committees, such as the Audit Committee, at least five times per year.

In 2022, API was integrated into our ERM framework. We have leveraged risk management best practice from API in Europe, for instance integrating ERM into the annual business planning cycle.

In 2022, we partnered with Resilience and the Centre for Risk Studies within the Judge Business School at the University of Cambridge, to further develop our strategic scenario planning capabilities. The initial focus of our collaboration is on climate change risk to support strategic decision making in line with our sustainability commitments and to facilitate from the Task Force on Climate-related Financial Disclosures (TCFD) reporting. In partnership with Resilience, we have developed a digital twin platform, enabling us to model physical and transition risks across our value chain over a 20 to 30 year timeline with various warming scenarios. In 2023, we are planning to apply the digital twin platform to other enterprise risks like cyber, packaging or talent.

[Read more about TCFD on pages 28-37](#)

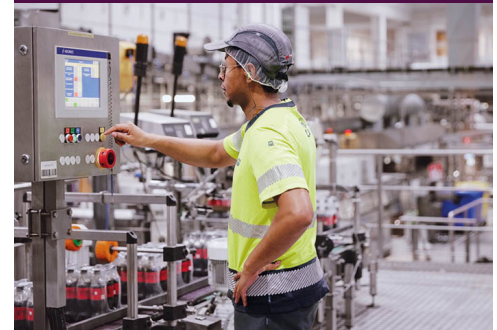
Managing risk

Once risks are identified, we analyse them to understand the likelihood, potential impact, velocity and effectiveness of existing mitigations. Actions are developed where mitigations are not meeting expectations or the risks are at unacceptable levels. The risk criteria that we use for our risk assessments are reviewed on an annual basis to ensure that they adequately cover the different types of consequences and remain fit for purpose.

Since the implementation of risk appetite statements (RAS), we have used this tool to support business decision making aligned with our strategic objectives. We compare our current risk profile (ERA outcome) with our RAS (tolerated level of risk). RAS are reviewed annually by the CRC and the Audit Committee, with actions defined as necessary.

We are in the process of adapting the RAS for operations by defining key risk indicators for each statement with the risk owners.

Case study Minimising supplier risk



With a network of more than 17,000 suppliers, increasing global supply chain complexity and disruptions, it is challenging to monitor all risk types and block out noise without applying artificial intelligence (AI) to big data.

Procurement has therefore implemented Resilinc to use the power of AI in proactively identifying potential risks impacting our business through our supplier and sub-supplier network. By using AI to monitor a broader risk portfolio and identify emerging risks, we have found ways to turn them into benefits.

50m

Scanning over 50 million information feeds annually across over 150 risk types in 100 languages

~3,000 sites

Since implementation, procurement have monitored in total over 3,000 suppliers, sub-suppliers and CCEP sites using Resilinc

[Read more about our supply chain on pages 49-52](#)

Principal risks continued

To strengthen our ability to identify emerging risks early, we continue with CCEP's procurement team and external partner Resilinc, a provider of a tool that uses AI for cognitive risk sensing, to manage our supplier risks (see case study on page 64). The tool extracts relevant information and trends from all available external and internal sources and makes them available to the responsible category manager in procurement. ERM is pioneering this work with the toll provider as the ultimate goal is to capture signals that indicate the development of new types of risk for which CCEP needs to prepare. Early detection of such risks can help to convert threats into opportunities and competitive advantages for CCEP.

We manage risk through the ERM framework, our processes and policies. Our annual policy review ensures the policies and related policy guidance remains valid. Changes within the documents have been approved by the CRC. Changes in policies, for example the CoC, the Gifts, Entertainment and Anti-Bribery policy and the Speak Up policy, have been approved by the CRC and Board.

The following pages set out a summary of our principal risks based on the findings of our most recent ERA. The Board has carried out a robust assessment of these principal risks. This summary is not intended to include all risks that could impact our business and the risks are presented in no particular order. In this report, we show how each principal risk links to, and underpins the relevant aspect of, our strategy.

Beyond principal risks, CCEP faces other operational risks which are managed as part of our daily routines, such as employee health, safety and wellbeing, fraud and human rights.

Principal risk map^(A)

External

Opportunities and risks, such as macroeconomic, socio/political and competition risks, that could fundamentally impact business strategy. Typically managed by teams that respond to significant shifts in government relations, consumer or supplier behaviour.

Strategic

Opportunities and risks that could impede the achievement of strategic objectives and targets, such as poor resource allocation or decision making. Typically managed by senior leaders responsible for delivering strategic initiatives set by the Board.

Operational

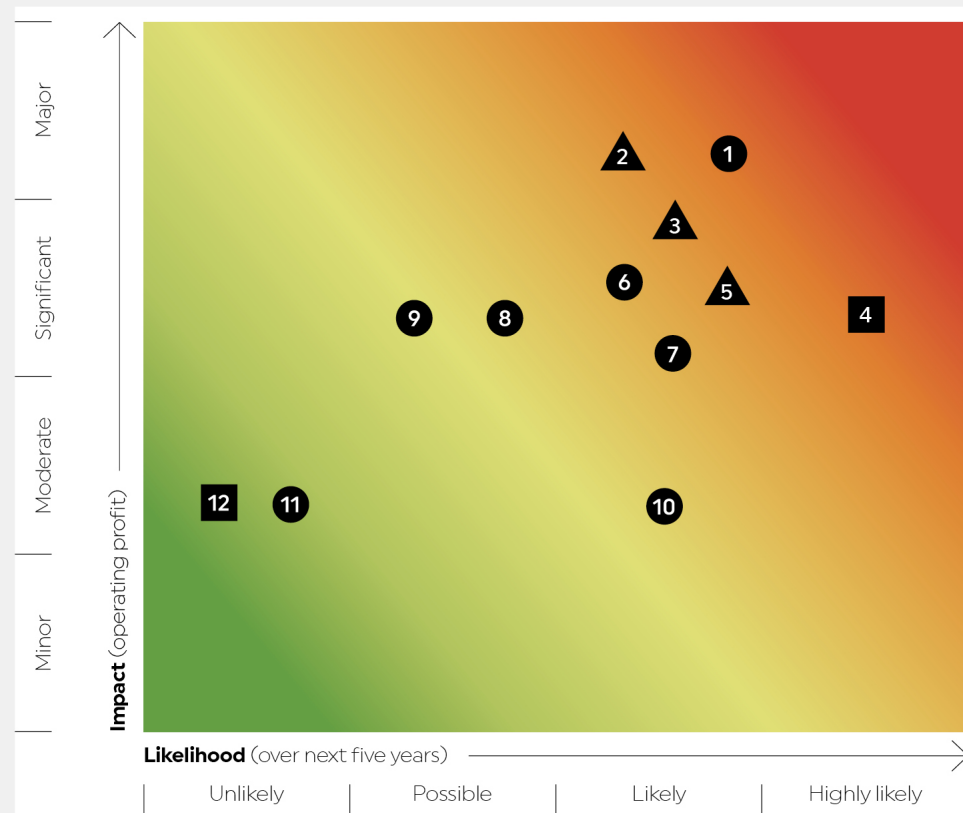
Opportunities and risks that could impact day to day operations in areas such as production, logistics or sales. Managed across all business areas through controls embedded in processes and procedures.

Extreme events

Events that would have an extreme impact on the business, such as war, pandemic, cyber attack, global financial crisis, natural disaster. These can materialise in any part of the business and may coincide with other risks in particular scenarios. Because extreme events can occur in any principal risk, they will not be assigned to a single specific category.

Velocity scale: (speed to impact)

- Very rapid (less than one month)
- ▲ Rapid (less than one year)
- Moderate (one to three years)
- Slow (greater than three years)



Principal risks

- | | | |
|--|--|---|
| 1 Packaging | 5 Economic and political conditions | 9 Business transformation, integration and digital capability |
| 2 Legal, regulatory and tax | 6 Market | 10 People and wellbeing |
| 3 Business disruption | 7 Climate change and water | 11 Relationships with TCCC and other franchisors |
| 4 Cyber and social engineering attacks and IT infrastructure | 8 Perceived health impact of our beverages (including ingredients) and changing customer buying trends | 12 Product quality |

(A) Changes in risk are as against the principal risks section of CCEP's Integrated Report/Annual Report on Form 20-F for the year ended 31 December 2021 as updated and supplemented in CCEP's Results for the six months ended 1 July 2022.

The table below shows our principal risks




 Find out more
in **Forward on
packaging**
on pages 42-45

Risk change

An indication of the current change of each principal risk relative to the prior year.



Principal risks continued

| Principal risk | Strategic objective | Description (What is the risk?) | Causal factors themes (What gives rise to the risk?) | Consequence themes (Potential impact of the risk) | Key control mitigations (How we manage it) | Change |
|---|---|--|--|--|--|---|
| Business disruption |  | The risk of prolonged, large scale natural and/or man made disruptive events | <ul style="list-style-type: none"> • Cyber attack or IT/operational technology system failure • Pandemics • Extreme weather events (floods, fires) • Natural disasters • Civil unrest, war and terrorism | <ul style="list-style-type: none"> • Disruption to supply chains/operations • Safety and wellbeing of our people • Brand and reputation damage • Financial impact | <ul style="list-style-type: none"> • Development, testing and continual improvement of Business Continuity Planning (BCP) through implementation of the BCP elements of TCCC's Business Resilience Framework • Training and awareness to build Business Continuity and Resilience capabilities across our sites and processes and improve our response to incidents • Scenario planning exercises and Business Impact Assessments to analyse and identify critical people (roles), property, technology, equipment and suppliers (value chain) • Coordination, continuous improvement and testing of our Incident Management and Crisis Response process |  |
| Cyber and social engineering attacks and IT infrastructure |  | The risks related to the protection of information systems and data from unauthorised access, misuse, disruption, modification, or destruction | <ul style="list-style-type: none"> • External attackers seeking to ransom or disrupt systems and data • Dependency on third parties • Internal misuse (malicious or accidental) • Security and maintenance of IT infrastructure and applications | <ul style="list-style-type: none"> • Financial impact from disruption to operations or fines • Safety and wellbeing of employees, customers or business partners who may have their personal information stolen • Brand and reputation damage | <ul style="list-style-type: none"> • Established cyber strategy with engagement of the ELT and Board • Conducting regular training and awareness on information security and data privacy • Development of BCP and Disaster Recovery programmes including regular internal and external testing of security controls to identify and resolve vulnerabilities • Threat vulnerability management and threat intelligence • Implementation of a hardware lifecycle • Security event logging and management through a Global Security Operations Centre operating 24/7 to proactively monitor cyber threats and implement preventive measures • Completion of third party risk assessments • Established Data Privacy Office including data governance and information classification and handling • IT change management process |  |

Link to strategy



Great people



Great service



Great beverages



Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.



Increased




Stable



Decreased

Principal risks continued

| Principal risk | Strategic objective | Description (What is the risk?) | Causal factors themes (What gives rise to the risk?) | Consequence themes (Potential impact of the risk) | Key control mitigations (How we manage it) | Change |
|--|--|--|--|---|---|---|
| Economic and political conditions |  | The risks associated with operating in volatile and challenging macroeconomic and geopolitical conditions | <ul style="list-style-type: none"> • Low economic growth or recession • High currency and commodity price volatility • High inflation • Political instability/conflict • Civil unrest | <ul style="list-style-type: none"> • Financial impact from reduced demand from consumers and an increasing cost base • Disruption to supply chains from sanctions or impact on shipping/trade routes | <ul style="list-style-type: none"> • Diversified product portfolio and geographic diversity of operations assists in mitigating exposure to localised economic risk • Development of a flexible business model that allows us to adapt our portfolio to suit our customers' changing needs during economic downturns • Regular review of business results and cash flows to rebalance capital investments where necessary • Monitoring of macroeconomic, political and societal developments to ensure that business is prepared to manage emerging situations • Established hedging policy for managing financial risks like FX, commodity and interest rate risks • Keeping a strong level of liquidity and back up credit lines at all times for working capital purposes as well as unexpected cash flow swings |  |
| Market |   | The risks to maintaining the relationships with our customers and consumers to meet their changing demands, needs and expectations | <ul style="list-style-type: none"> • New distribution channels and platforms • Changing customer and consumer habits • Changes in the competitive landscape • Legislative and regulatory changes | <ul style="list-style-type: none"> • Financial impact from reduced demand from consumers • Decreasing margins and market share • Inability to meet strategic objectives • Brand and reputation damage | <ul style="list-style-type: none"> • Conducting shopper insights and price elasticity assessments • Investing in pack and product innovation • Established promotional strategy • Development of commercial policy • Collaborative category planning with customers • Development of growth centric customer investment policies • Established business development plans aligned with our customers • Diversification of portfolio and customer base • Development of realistic budgeting routines and targets • Investment in key account development and category planning • Open up new route to market opportunities, for example eB2B and platforms/direct to consumer |  |

Link to strategy



Risk change

An indication of the current change of each principal risk relative to the prior year.



Increased




Stable



Decreased

Principal risks continued

| Principal risk | Strategic objective | Description (What is the risk?) | Causal factors themes (What gives rise to the risk?) | Consequence themes (Potential impact of the risk) | Key control mitigations (How we manage it) | Change |
|---|---|--|---|--|---|---|
| Climate change and water   Read about TCFD on pages 28-37 |  | The risks and opportunities associated with managing the impacts of climate change and water scarcity across our value chain | <ul style="list-style-type: none"> GHG emissions across our value chain, including emissions from our production facilities, cold drinks equipment, the transportation of our products, packaging and the ingredients that we use, and storage of our products Scarcity of water and water quality issues related to water sources we and our suppliers rely upon Regulatory and legislative initiatives aimed at reducing GHG emissions Changing consumer and investor preferences | <ul style="list-style-type: none"> Brand and reputation damage from not meeting sustainability targets Financial impacts from future carbon taxes and the transition costs to low GHG emissions Regulatory and compliance impacts related to TCFD disclosures | <ul style="list-style-type: none"> Development of the climate pillar within our This is Forward sustainability action plan including our short-term and long-term GHG emissions reduction targets to reduce our absolute Scope 1, 2 and 3 GHG emissions by 30% by 2030 (vs 2019), and to achieve Net Zero by 2040. Our strategy outlines the management actions and key mitigations taken to manage this risk. More information can be found in our Forward on climate section on pages 38-41 Development of the water pillar within our This is Forward sustainability action plan which sets out targets for water efficiency, regenerative water use and water replenishment and outlines management actions and key mitigations taken to manage risk. More information can be found in our Forward on water section on pages 46-48 Transition to 100% renewable electricity aiming to achieve this across all markets by 2030 Supplier engagement programme to support suppliers to set their own reduction targets and transition to use renewable electricity |  |
| Perceived health impact of our beverages (including ingredients), and changing customer buying trends  |  | The risks relating to our ability to effectively adapt and respond to changes in consumer preferences and behaviour towards our products | <ul style="list-style-type: none"> Legislative changes driven by government or lobby groups External marketing campaigns towards alternative ingredients/products Publication of guidelines or recommendations related to sugar consumption or additives by WHO or other health authorities Increased media scrutiny and social media coverage impacting consumer perception Viability of alternatives to sugar, sweeteners and other ingredients within our product portfolio | <ul style="list-style-type: none"> Financial impacts from decline in sales volumes and market share (delisting, demand decrease) Increased regulatory scrutiny Increased taxes on our products Damage to brand and reputation | <ul style="list-style-type: none"> Development of the drinks pillar within our This is Forward sustainability action plan to support the recommendation by several leading health authorities, including WHO, that people should limit their intake of added sugar to 10% of their total calorie consumption. More information can be found in our Forward on drinks section on pages 53-55 Support TCCC, EU or National associations on strong advocacy regarding no and low-calorie sweeteners and processed food |  |

Link to strategy

Risk change

An indication of the current change of each principal risk relative to the prior year.



Great people



Great service



Great beverages



Done sustainably



Increased









Stable



Decreased

Principal risks continued

| Principal risk | Strategic objective | Description (What is the risk?) | Causal factors themes (What gives rise to the risk?) | Consequence themes (Potential impact of the risk) | Key control mitigations (How we manage it) | Change |
|--|---|--|--|--|---|---|
| Business transformation, integration and digital capability |  | The risks relating to the execution of our strategic and continuous improvement initiatives | <ul style="list-style-type: none"> Digital transformation Identification and execution of supply chain improvements Relationships with our partners and franchisors Ineffective coordination between BUs and central functions Change management failure Diversion of management's focus away from our core business | <ul style="list-style-type: none"> Damage to brand and reputation Financial impacts from a decline in our share price arising from not realising the value creation from these initiatives Industrial action and disruption to our operations | <ul style="list-style-type: none"> Solid governance model in place leveraging Competitiveness Steering Committee for enterprise wide transformation Regular competitiveness reviews ensuring effective steering, high visibility and quick decision making Dedicated programme management office and effective project management methodology Continuation of strong governance routines Regular ELT and Board reviews and approvals of progress and issue resolution Analysis and review of Acquisition-related activities such as integration and business performance risk indicators and capital allocation risk reviews Building a well functioning and resilient workforce with priority focus on health and safety, and mental wellbeing initiatives, especially in frontline roles |  |
| People and wellbeing |  | The risks relating to the identification, attraction, development, and retention of talent. Also risks relating to the wellbeing of our people (including human rights and modern slavery) | <ul style="list-style-type: none"> Job design and working conditions Reward and recognition Misconduct by third parties relating to human rights | <ul style="list-style-type: none"> Damage to brand and reputation Financial impacts from a decline in employee engagement and productivity Industrial action and disruption to our operations Punitive action from regulators or other legislative bodies and potential for litigation | <ul style="list-style-type: none"> Development of our people strategy, Me@CCEP, which sets out the diversity, inclusion, wellbeing and human rights targets, management actions and the key mitigations taken to manage this risk. More information can be found in our Forward on society - people section on pages 58-63 Our Everyone's Welcome philosophy sets out our commitment to inclusion, diversity and equity. The Everyone's Welcome playbook is the blueprint for countries and functions to align campaigns, training and tracking mechanisms We have set up a strong policy framework, regular training and supplier management to strengthen our human rights commitments, such as modern slavery |  |
| Relationships with TCCC and other franchisors |  | The risk of misaligned incentives or strategy with TCCC and/or other franchisors | <ul style="list-style-type: none"> Lack of effective engagement, communication and/or discussion with franchisors | <ul style="list-style-type: none"> Damage to brand and reputation Financial impacts, including as a result of TCCC or other franchisors acting adversely to our interests with respect to our business relationship | <ul style="list-style-type: none"> Clear agreements govern the relationships Incidence pricing agreement with TCCC Aligned long range planning and annual business planning processes Ongoing group and local routines between CCEP and franchisors Regular meetings and maintenance of positive relationships at all levels Regular contact and best practice sharing across the Coca-Cola system |  |

Link to strategy

Risk change

An indication of the current change of each principal risk relative to the prior year.



Great people



Great service



Great beverages



Done sustainably



Increased






Stable



Decreased

Principal risks continued

| Principal risk | Strategic objective | Description (What is the risk?) | Causal factors themes (What gives rise to the risk?) | Consequence themes (Potential impact of the risk) | Key control mitigations (How we manage it) | Change |
|------------------------|--|---|--|---|--|---|
| Product quality |   | The risks relating to ensuring the wide range of products we produce are safe for consumption and adhere to strict food safety and quality requirements | <ul style="list-style-type: none"> A failure in food safety, food quality, food defence or food fraud processes | <ul style="list-style-type: none"> Physical harm to consumers Damage to brand and reputation Financial impacts from a decline in sales volume and market share | <ul style="list-style-type: none"> TCCC standards and audits Hygiene regimes at production facilities Total quality management programme Robust management systems ISO Certification Internal governance audits Quality monitoring programme Customer and consumer monitoring and feedback Incident management and crisis resolution Every CCEP production facility has: <ul style="list-style-type: none"> a hazard analysis critical control points assessment and mitigation plan in place a quality monitoring plan based on risk and requirements a food fraud vulnerability assessment and mitigation plan based on risk and requirements a food defence threat assessment and mitigation plan based on risk and requirements |  |

Internal control procedures and risk management

CCEP's internal controls are designed to manage rather than eliminate risk, and aim to mitigate risk of fraud and misstatements.

In addition to management responsibility, the Board has overall responsibility for the Company's system of internal controls and for reviewing its adequacy and effectiveness. To discharge its responsibility in a manner that

complies with law and regulation and promotes effective and efficient operation, the Board has established clear operating procedures, lines of responsibility and delegated authority.

The Audit Committee has specific responsibility for reviewing the internal control policies and procedures associated with the identification, assessment and reporting of principal and emerging risks to check they are adequate and effective.

Our internal control processes include:

- Board approval for significant projects, transactions and corporate actions
- Either senior management or Board approval for all major expenditure at the appropriate stages of each transaction
- Regular reporting covering both technical progress and our financial affairs
- Board review, identification, evaluation and management of significant risks



Read more about our approach to internal control and risk management in the Audit Committee report on pages 112-116

Link to strategy



Great people



Great service



Great beverages



Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.



Increased



Stable



Decreased

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code (the UKCGC), the Directors have assessed the prospects for the Group. The Directors have made this assessment over a period of three years, which corresponds to the Group's planning cycle.

The assessment considered the Group's prospects related to revenue, operating profit, EBITDA and free cash flow. The Directors considered the maturity dates of the Group's debt obligations and its access to public and private debt markets, including its committed multi currency credit facility. The Directors also carried out a robust review and analysis of the principal risks facing the Group, including those risks that could materially and adversely affect the Group's business model, future performance, solvency and liquidity.

Stress testing was performed on a number of scenarios, including different estimates for operating profit and free cash flow. Among other considerations, these scenarios incorporated the potential downside impact of the Group's principal risks, including those related to:

- Business disruption events, including pandemics
- Legal and regulatory intervention, including in relation to plastic packaging
- Risk of cyber and social engineering attacks
- Economic and political uncertainty
- Climate change and water

Based on the Group's current financial position, stable cash generation and access to liquidity, the Directors concluded that the Group is well positioned to manage principal risks and potential downside impacts of such risks materialising, to ensure solvency and liquidity over the assessment period.

From a qualitative perspective, the Directors also took into consideration the Group's past experience of managing through adverse conditions and the Group's strong relationship and position within the Coca-Cola system. The Directors considered the extreme measures the Group could take in the event of a crisis, including decreasing or stopping non-essential capital investment, decreasing or stopping shareholder dividends, renegotiating commercial terms with customers and suppliers or selling non-essential assets.

Based upon the assessment performed, the Directors confirm that they have a reasonable expectation the Group will be able to continue in operation and meet all liabilities as they fall due over the three year period covered by this assessment.

Non-financial and sustainability information statement

This Integrated Report contains a combination of financial and non-financial reporting throughout. As required by sections 414CA and 414CB of the Companies Act 2006 (the Companies Act), the following non-financial and sustainability information can be found as stated in the table below. These pages contain, where appropriate, details of our policies and approach to each matter.

| Non-financial and sustainability information | Page(s) |
|--|--|
| Environmental matters | TCFD on pages 28-37 Forward on climate on pages 38-41 Forward on packaging on pages 42-45 Forward on water on pages 46-48 Forward on supply chain on pages 49-52 |
| Employee matters | Our stakeholders on pages 14-17 Forward on society – people on pages 58-63 |
| Social matters | Forward on society – communities on pages 56-57 |
| Human rights | Forward on society – people on page 63 |
| Anti-corruption and anti-bribery matters | Forward on society – people on page 62 |
| Our business model | Our business model on page 6 |
| Risk and principal risks | Principal risks on pages 64-71 Risk factors on pages 223-229 |
| Non-financial performance indicators | Sustainability performance indicators on page 9 |
| Climate-related financial information | Sustainability performance indicators on page 9 Taking action on sustainability and TCFD on pages 26-63 Principal risks on pages 64-71 Sustainability key performance data summary on pages 249-252 |

Business and financial review

Our business

CCEP is a leading consumer goods group in Western Europe and the Asia Pacific region, making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages. We make, move and sell some of the world's most loved brands – serving 600 million consumers and helping 2 million customers across 29 countries grow. We combine the strength and scale of a large, multi-national business with an expert, local knowledge of the customers we serve and communities we support.

Note regarding the presentation of pro forma financial information and alternative performance measures

Pro forma financial information

Pro forma financial information has been provided in order to illustrate the effects of the acquisition of Coca-Cola Amatil Limited (the Acquisition; referred to as CCL pre-Acquisition, API post-Acquisition) on the results of operations of CCEP in 2021 and allow for greater comparability of the results of the combined Group between periods. The pro forma financial information for 2021 has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation. It is based on information and assumptions that CCEP believes are reasonable, including assumptions as at 1 January 2021 relating to Acquisition accounting provisional fair values of API assets and liabilities which are assumed to be equivalent to those that have been provisionally determined as of the Acquisition date and included in the financial statements for the year ended 31 December 2021, on a constant currency basis. The pro forma information for 2021 also assumes the interest impact of additional debt financing reflecting the actual weighted average interest rate for acquisition financing of c.0.40% for 2021.

The pro forma financial information does not intend to represent what CCEP's results of operations actually would have been if the Acquisition had been completed on the dates indicated, nor does it intend to represent, predict or estimate the results of operations for any future period or financial position at any future date. In addition, it does not reflect ongoing cost savings that CCEP expects to achieve as a result of the Acquisition or the costs necessary to achieve these cost savings or synergies. As pro forma information is prepared to illustrate retrospectively the effects of future transactions, there are limitations that are inherent to the nature of pro forma information. As such, had the Acquisition taken place on the dates assumed, the actual effects would not necessarily have been the same as those presented in the pro forma financial information contained herein.

Alternative performance measures

We use certain alternative performance measures (non-GAAP performance measures) to make financial, operating and planning decisions and to evaluate and report performance. We believe these measures provide useful information to investors and as such, where clearly identified, we have included certain alternative performance measures in this document to allow investors to better analyse our business performance and allow for greater comparability. To do so, we have excluded items affecting the comparability of period over period financial performance as described below. The alternative performance measures included herein should be read in conjunction with and do not replace the directly reconcilable GAAP measures.

For purposes of this document, the following terms are defined:

"As reported" are results extracted from our consolidated financial statements.

"Pro forma" includes the results of CCEP and API as if the Acquisition had occurred at the beginning of 2021, including acquisition accounting adjustments relating to provisional fair values. Pro forma also includes the impact of the additional debt financing costs incurred by CCEP in connection with the Acquisition for all periods presented.

"Comparable" is defined as results excluding items impacting comparability, which include restructuring charges, acquisition and integration-related costs, inventory fair value step up related to acquisition accounting, the impact of the closure of the GB defined benefit pension scheme, the net impact related to European flooding, income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia, the impact of a defined benefit plan amendment arising from legislative changes in respect of the minimum retirement age and net tax items relating to rate and law changes. Comparable volume is also adjusted for selling days.

"Pro forma comparable" is defined as the pro forma results excluding items impacting comparability, as described above.

"FX neutral" is defined as period results excluding the impact of foreign exchange rate changes. Foreign exchange impact is calculated by recasting current year results at prior year exchange rates.

"Capex" or "Capital expenditures" is defined as purchases of property, plant and equipment and capitalised software, plus payments of principal on lease obligations, less proceeds from disposals of property, plant and equipment. Capex is used as a measure to ensure that cash spending on capital investments is in line with the Group's overall strategy for the use of cash.

"Free cash flow" is defined as net cash flows from operating activities less capital expenditures (as defined above) and interest paid. Free cash flow is used as a measure of the Group's cash generation from operating activities, taking into account investments in property, plant and equipment and non-discretionary lease and interest payments. Free cash flow is not intended to represent residual cash flow available for discretionary expenditures.

"Adjusted free cash flow" is defined as free cash flow (as defined above) adjusted for items that are not reasonably likely to recur within two years, nor have occurred within the prior two years. Adjusted free cash flow is not intended to represent residual cash flow available for discretionary expenditures. We believe that reporting adjusted free cash flow is useful as it allows for better period over period comparability, excluding the impact of items that are unusual in nature. Refer to page 81 for additional information.

"Adjusted EBITDA" is calculated as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), after adding back items impacting the comparability of period over period financial performance. Adjusted EBITDA does not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs, and although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements.

Business and financial review continued

"Net Debt" is defined as the net of cash and cash equivalents and short-term investments less borrowings and adjusted for the fair value of hedging instruments related to borrowings and other financial assets/liabilities related to borrowings. We believe that reporting net debt is useful as it reflects a metric used by the Group to assess cash management and leverage. In addition, the ratio of net debt to adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

"ROIC" or "Return on invested capital" is defined as comparable operating profit after tax attributable to shareholders divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments. ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business.

"Dividend payout ratio" is defined as dividends as a proportion of comparable profit after tax.

Forward-looking alternative performance measures

Within this report, we provide certain forward-looking non-GAAP financial information, which management uses for planning and measuring performance. We are not able to reconcile forward-looking non-GAAP measures to reported measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability throughout year.

Unless otherwise stated, percent amounts are rounded to the nearest 0.5%.

All pro forma measures presented below relate only to the full year ended 31 December 2021.

Key financial measures^(A) Reported to Pro forma comparable

Unaudited, FX impact calculated by recasting current year results at prior year rates

| | Year ended 31 December 2022 | | | | | | |
|--------------------------------|-----------------------------|------------|-----------|------------------------|----------------------|---------------------|---------------------------------|
| | € millions | | | % change vs prior year | | | |
| | As reported | Comparable | FX impact | As reported | Pro forma comparable | Pro forma FX impact | Pro forma comparable FX neutral |
| Revenue | 17,320 | 17,320 | 172 | 26.0% | 17.0% | 1.5% | 15.5% |
| Cost of sales | 11,096 | 11,088 | 107 | 28.0% | 20.0% | 1.0% | 19.0% |
| Operating expenses | 4,234 | 4,094 | 45 | 18.5% | 10.5% | 1.5% | 9.0% |
| Other income | 96 | — | — | n/a | n/a | n/a | n/a |
| Operating profit | 2,086 | 2,138 | 20 | 37.5% | 13.5% | 1.0% | 12.5% |
| Profit after taxes | 1,521 | 1,564 | 15 | 54.0% | 14.0% | 1.0% | 13.0% |
| Diluted earnings per share (€) | 3.29 | 3.39 | 0.03 | 53.0% | 14.0% | 1.0% | 13.0% |

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Financial highlights

In 2022, the uncertain macroeconomic environment led us to navigate unprecedented commodity inflation, higher energy and transportation prices and industry-wide supply chain constraints. However, our focus on in-market execution, promotional optimisation and the successful implementation of dynamic headline pricing strategies across our markets, resulted in strong revenue growth and value share gains. We also benefited from the continued recovery of the AFH channel and the return of travel and tourism with further growth in the home channel. Despite inflationary pressures, higher concentrate costs and continued investment in our capabilities, we delivered strong operating profit growth. This translated into strong free cash flow generation and enabled us to continue to return cash to shareholders, as demonstrated by the dividend paid in the year.

The net impact of 2022 performance on our key financial measures^(A) can be summarised as follows:

- Reported revenue totalled €17.3 billion, up 26.0% on a reported basis and 15.5% on a pro forma comparable and FX neutral basis.
- Volume increased 17.5% on a reported basis and 9.5% on a pro forma comparable basis. Revenue per unit case increased 6.0% on a pro forma comparable and FX neutral basis.
- Reported operating profit was €2.1 billion, up 37.5%, or up 12.5% on a pro forma comparable and FX neutral basis.
- Reported diluted earnings per share were €3.29 or €3.39 on a comparable basis, up 13.0% on a pro forma comparable and FX neutral basis.
- Net cash flows from operating activities were €2.9 billion. Full year adjusted free cash flow^(B) was €1.8 billion.

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

(B) See Liquidity and capital management on pages 80-82 for a reconciliation between net cash flows from operating activities and adjusted free cash flow.

Business and financial review continued

Operational review

Revenue

Revenue totalled €17.3 billion, up 26.0% versus prior year on a reported basis, and 24.5% on a comparable and FX neutral basis, reflecting the full year impact of the API operations acquired in 2021. Revenue was up 15.5% on a pro forma comparable and FX neutral basis. Revenue per unit case increased by 6.0% in 2022 on a pro forma comparable and FX neutral basis. Volume increased 9.5% on a pro forma comparable basis.

| Revenue ^(A) in millions of € | Year ended 31 December 2022 | | | | | |
|--|-----------------------------|---------------|-------------------|---------------------|-------------------------------|-------------------------------|
| | As reported | Comparable | Reported % change | FX neutral % change | Pro forma comparable % change | Pro forma FX neutral % change |
| Europe | 13,529 | 13,529 | 17.0% | 16.5% | 17.0% | 16.5% |
| API | 3,791 | 3,791 | 74.0% | 66.5% | 17.0% | 12.0% |
| Total CCEP | 17,320 | 17,320 | 26.0% | 24.5% | 17.0% | 15.5% |

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Comparable volume - selling day shift CCEP

In millions of unit cases, prior period volume recast using current year selling days^(A)

| | Year ended 31 December | | |
|---|------------------------|--------------|--------------|
| | 2022 | 2021 | % change |
| Volume | 3,300 | 2,804 | 17.5% |
| Impact of selling day shift | n/a | (7) | n/a |
| Comparable volume - Selling day shift adjusted | 3,300 | 2,797 | 18.0% |
| Pro forma impact API | — | 212 | n/a |
| Pro forma comparable volume | 3,300 | 3,009 | 9.5% |

(A) A unit case equals approximately 5.678 litres or 24 eight ounce servings, a typical volume measure used in our industry.

Volumes were up 17.5% on a reported and 18.0% on a comparable basis, reflecting the full year impact of the API operations acquired in 2021. Pro forma comparable volume was up 9.5% versus 2021. This reflects the solid recovery of the AFH channel and continued growth in the home channel across our markets. The most significant impact was in the AFH channel where volumes increased by 18.5% for the year, on a pro forma comparable basis. We experienced improvement in volumes reflecting fewer restrictions and increased mobility. The return of tourism and favourable weather in Europe also supported the strong recovery of this channel. Trading in the home channel increased throughout the year with full year volume growth of 4.0% on a pro forma comparable basis, although disruption related to a customer negotiation impacted the fourth quarter of 2022. From a package perspective, immediate consumption grew across both channels as mobility increased with fewer restrictions. The volume of future consumption packs such as large PET and multipack cans grew during the year, particularly in the home channel.

| Comparable volume by category | Year ended 31 December | | |
|--|------------------------|---------------|--------------|
| | 2022 | 2021 | |
| Change versus prior period on a pro forma comparable basis | % of total | % of total | % change |
| Sparkling | 84.5% | 84.5% | 9.0% |
| Coca-Cola™ | 58.5% | 59.0% | 8.0% |
| Flavours, mixers and energy | 26.0% | 25.5% | 11.5% |
| Stills | 15.5% | 15.5% | 11.5% |
| Hydration | 8.0% | 7.5% | 16.0% |
| RTD tea, RTD coffee, juices and other ^(A) | 7.5% | 8.0% | 7.0% |
| Total | 100.0% | 100.0% | 9.5% |

(A) RTD refers to ready to drink; Other includes alcohol and coffee.

On a brand category basis in 2022, Coca-Cola trademark volume increased by 8.0% versus 2021 on a pro forma comparable basis. This increase reflected the growth in Coca-Cola Original Taste and Lights driven by the continued rebound of the AFH channel and strong performance of Coca-Cola Zero Sugar, with volumes ahead of 2021 (up 10.0%) supported by our new taste and new look campaign last year.

Flavours, mixers and energy volume increased by 11.5% versus 2021 on a pro forma comparable basis. Energy volumes were up 18.5% versus 2021, supported by increased distribution in both channels and strong innovation. Fanta and Sprite grew volume driven by the continued rebound of the AFH channel.

Hydration volume increased by 16.0% versus 2021 on a pro forma comparable basis. Water volume increased by 13.5% reflecting its exposure to immediate consumption across both channels, supported by the rebound of the AFH channel and increased mobility. Sports volume increased by 23.0%, reflecting growth in both Europe and API.

RTD teas, RTD coffees, juices and other drinks volume increased by 7.0% versus 2021 on a pro forma comparable basis. Juice drinks grew volume reflecting the continued rebound of the away from home channel partially offset by SKU rationalisation in Indonesia. Fuze Tea volumes increased as the brand continues to grow value share in Europe. Alcohol continues to deliver strong growth in Australia driven by spirits and ready to drink beverages.

Business and financial review continued

Revenue by segment: Europe

Revenue Europe

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.

| | Year ended 31 December | | % change |
|------------------------------|------------------------|---------------|--------------|
| | 2022 | 2021 | |
| As reported | 13,529 | 11,584 | 17.0% |
| Adjust: Impact of FX changes | (6) | n/a | n/a |
| FX neutral | 13,523 | 11,584 | 16.5% |
| Revenue per unit case | 5.14 | 4.87 | 5.5% |

Revenue in Europe totalled €13.5 billion, up 17.0% versus prior year on a reported basis, and 16.5% on an FX neutral basis. Revenue per unit case in Europe increased by 5.5% in 2022, on a comparable and FX neutral basis, reflecting positive package and channel mix driven by the improvement in AFH volume, and favourable headline price following the successful implementation of dynamic headline pricing strategies across our markets.

| Revenue by geography | Year ended 31 December 2022 | | |
|------------------------|-----------------------------|-------------------|---------------------|
| | As reported | Reported % change | FX neutral % change |
| In millions of € | | | |
| Great Britain | 3,088 | 18.0% | 17.5% |
| Germany | 2,682 | 15.0% | 15.0% |
| Iberia ^(A) | 3,034 | 21.5% | 21.5% |
| France ^(B) | 2,089 | 15.0% | 15.0% |
| Belgium and Luxembourg | 1,042 | 12.5% | 12.5% |
| Netherlands | 682 | 22.5% | 22.5% |
| Norway | 404 | 3.5% | 2.5% |
| Sweden | 421 | 12.5% | 17.5% |
| Iceland | 87 | 10.0% | 4.0% |
| Total Europe | 13,529 | 17.0% | 16.5% |

(A) Iberia refers to Spain, Portugal and Andorra.

(B) France refers to continental France and Monaco.

Reported revenue in Great Britain was up 18.0% versus 2021. Foreign exchange translation positively impacted revenue growth by 0.5%. The additional increase in revenue was mainly driven by the continued recovery of the AFH channel supported by favourable weather and domestic tourism. Further growth in the home channel supported double digit volume growth versus 2019. From a category perspective, Coca-Cola Zero Sugar, Fanta, Monster and Dr Pepper showed strong volume growth. Additionally, revenue per unit case growth was driven by favourable underlying price, alongside positive pack mix led by the recovery of the AFH channel, including growth of 20.5% in small glass and 15.0% in small PET.

Reported revenue in Germany was up 15.0% versus 2021. Volume was positively impacted mainly by favourable weather and improvement in the AFH channel. The home channel saw solid performance versus prior year. From a category perspective, Coca-Cola Zero Sugar, Fuze Tea and Monster showed strong volume growth. Additionally, revenue per unit case growth was driven by positive brand mix from Monster, as well as favourable underlying price and positive pack and channel mix.

Reported revenue in Iberia was up 21.5% versus 2021. This was mainly driven by the recovery of the AFH channel, supported by the return of travel and tourism and favourable weather, reflecting solid volume growth. Despite good trading in the home channel, volume growth versus 2019 was impacted by the increased Spanish VAT rate. From a category perspective, Coca-Cola Zero Sugar and Monster showed strong volume growth. Additionally, revenue per unit case growth was positively impacted by package and channel mix given the ongoing recovery of the AFH channel in addition to favourable underlying price.

Reported revenue in France was up 15.0% versus 2021. This was mainly driven by an increase in volume due to the rebound of the AFH channel, supported by the return of tourism and favourable weather and continued solid growth in the home channel. From a category perspective, Coca-Cola Zero Sugar, Fuze Tea and Monster continued to grow volume. Additionally, revenue per unit case growth was supported by positive channel and pack mix led by the recovery of the AFH channel, including growth of 55.5% in small glass and 25.0% in small PET, as well as favourable underlying price.

Reported revenue in the Northern European territories (Belgium, Luxembourg, the Netherlands, Norway, Sweden and Iceland) was up 13.0% versus 2021. Foreign exchange translation negatively impacted revenue growth by 0.5%. The increase in revenue was mainly driven by the rebound in the AFH channel, despite the late removal of restrictions, and further growth in the home channel. From a category perspective, Coca-Cola Zero Sugar, Monster and Fuze Tea showed strong volume growth. Additionally, revenue per unit case growth increased as a result of favourable underlying price as well as positive channel and pack mix, including growth of 57.5% in small glass and 16.0% in small PET.

Business and financial review continued

Revenue by segment: API

Pro forma revenue API^(A)

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.

| | Year ended 31 December | | % change |
|--|------------------------|--------------|--------------|
| | 2022 | 2021 | |
| As reported and comparable | 3,791 | 2,179 | 74.0% |
| Add: Pro forma adjustments API | — | 1,056 | n/a |
| Pro forma comparable | 3,791 | 3,235 | 17.0% |
| Adjust: Impact of FX changes | (166) | n/a | n/a |
| Pro forma comparable and FX neutral | 3,625 | 3,235 | 12.0% |
| Pro forma revenue per unit case | 5.42 | 5.05 | 7.5% |

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Reported revenue in API totalled €3.8 billion, and was up 17.0% versus 2021 on a pro forma comparable basis, or up 12.0% on a pro forma comparable and FX neutral basis. Revenue per unit case increased by 7.5% in 2022, on a pro forma comparable and FX neutral basis. Volume increased 5.0% on a pro forma comparable basis driven by increased consumer mobility and the successful navigation of industry-wide supply constraints, as well as a record Ramadan period in Indonesia.

| Pro forma revenue by Geography ^(A) | Year ended 31 December 2022 | | |
|---|-----------------------------|-------------------------------|-------------------------------|
| | As reported | Pro forma comparable % change | Pro forma FX neutral % change |
| In millions of € | | | |
| Australia | 2,339 | 15.5% | 11.0% |
| New Zealand and Pacific Islands | 649 | 17.0% | 15.0% |
| Indonesia and Papua New Guinea | 803 | 23.0% | 12.5% |
| Total API | 3,791 | 17.0% | 12.0% |

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Revenue in the Australia, Pacific and Indonesian territories (Australia, New Zealand and Pacific Islands, Indonesia and Papua New Guinea) was up 17.0% versus 2021 on a pro forma comparable basis. Foreign exchange translation positively impacted revenue growth by 5.0%. The additional increase in revenue was mainly driven by increased mobility in the away from home channel in all markets and solid performance in the home channel. Coca-Cola No Sugar and Monster grew volume above 2019 levels. Additionally, revenue per unit case increased on a pro forma comparable and FX neutral basis, as a result of positive package and channel mix, promotional optimisation in Australia and underlying favourable price.

Cost of sales

Reported cost of sales totalled €11.1 billion, up 28.0% versus prior year on a reported basis, and 27.5% on a comparable FX neutral basis, reflecting the full year impact of the API operations acquired in 2021. On a pro forma comparable basis cost of sales was up 20.0% vs prior year, or up 19.0% on a pro forma comparable and FX neutral basis, driven in part by volume growth. Cost of sales per unit case increased by 9.0% on a pro forma comparable and FX neutral basis.

Pro forma cost of sales^(A)

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.

| | Year ended 31 December | | % change |
|---|------------------------|--------------|--------------|
| | 2022 | 2021 | |
| As reported | 11,096 | 8,677 | 28.0% |
| Add: Pro forma adjustments API | — | 616 | n/a |
| Adjust: Total items impacting comparability | (8) | (71) | |
| Pro forma comparable | 11,088 | 9,222 | 20.0% |
| Adjust: Impact of FX changes | (107) | n/a | n/a |
| Pro forma comparable and FX neutral | 10,981 | 9,222 | 19.0% |
| Cost of sales per unit case | 3.33 | 3.05 | 9.0% |

(A) See Supplementary financial information - Income Statement on pages 83-85 for reconciliation of reported to comparable and reported to pro forma comparable results.

Cost of sales in Europe increased in part due to higher volume, up 11.0% versus 2021 on a comparable basis. Cost of sales per unit case increased as well, primarily driven by unprecedented levels of commodity inflation. PET and aluminium were the main drivers of commodity inflation, though hedging throughout the year provided some protection from market volatility. Higher energy and transportation prices also resulted in increased conversion and manufacturing costs. Dynamic headline pricing strategies were implemented across our markets in response to these inflationary pressures, and increased revenue per unit case as a result of the recovery of the AFH channel, as well as promotional optimisation and favourable underlying price, in turn, increased concentrate costs. Mix was also adverse driven mainly by continued volume growth in Energy and cans, partially offset by the favourable recovery of fixed manufacturing costs given the increased volume.

Cost of sales in API also increased reflecting higher volumes, up 5.0% versus 2021 on a pro forma comparable basis, similar inflationary pressures on commodities, transportation and freight, and increased revenue per unit case. Global supply chain challenges continued this year, and successful navigation of these industry-wide supply chain constraints supported strong volume growth.

Business and financial review continued

Operating expenses

Reported operating expenses totalled €4.2 billion, up 18.5% versus prior year on a reported basis, and 19.5% on a comparable and FX neutral basis, reflecting the full year impact of the API operations acquired in 2021. On a pro forma comparable basis operating expenses were up 10.5% vs prior year, or up 9.0% on a pro forma comparable and FX neutral basis.

Pro forma operating expenses^(A)

In millions of €. FX impact calculated by recasting current year results at prior year rates.

| | Year ended 31 December | | % change |
|---|------------------------|--------------|--------------|
| | 2022 | 2021 | |
| As reported | 4,234 | 3,570 | 18.5% |
| Add: Pro forma adjustments API | — | 323 | |
| Adjust: Transaction accounting adjustments | — | 68 | n/a |
| Adjust: Total items impacting comparability | (140) | (250) | |
| Pro forma comparable | 4,094 | 3,711 | 10.5% |
| Adjust: Impact of FX changes | (45) | n/a | n/a |
| Pro forma comparable and FX neutral | 4,049 | 3,711 | 9.0% |

(A) See Supplementary financial information – Income Statement on pages 83-85 for reconciliation of reported to comparable and reported to pro forma comparable results.

With a third of operating expenses being variable in nature, comparable operating expenses in Europe grew as volume increased reflecting the reopening of the AFH channel, increased consumer mobility and the return of travel and tourism. Continued inflationary pressures on labour and haulage, and optimised investment in trade marketing expenses to support our top line growth were also drivers of the increase.

Similar to Europe, comparable operating expenses in API also reflected higher volumes, inflationary pressures on labour and haulage and increased investment in trade marketing expenses contributed to the growth in operating expenses.

Discretionary spend optimisation and the ongoing delivery of our previously announced multi-year efficiency programme supported a continued decline in operating expenses as a percent of revenue.

Restructuring

Restructuring charges of €19 million and €144 million were recognised within reported cost of sales and reported operating expenses, respectively, for the year ended 31 December 2022, which are primarily attributable to €82 million of expense recognised in connection with the transformation of the full service vending operations and related initiatives in Germany.

Restructuring charges of €17 million and €136 million were recognised within reported cost of sales and reported operating expenses, respectively, for the year ended 31 December 2021, related principally to the continuation of the Accelerate Competitiveness programme announced in October 2020. This programme relates to initiatives across Europe aimed at improving productivity through the use of technology enabled solutions. Restructuring charges in 2021 include €51 million of severance costs related to productivity initiatives within the commercial organisation in Iberia.

Effective tax rate

The reported effective tax rate was 22% and 29% for the years ended 31 December 2022 and 31 December 2021, respectively.

The decrease in the reported effective tax rate to 22% in 2022 (2021: 29%) is largely due to the remeasurement of deferred tax positions following the enactment of tax rate changes in the United Kingdom, the Netherlands and Indonesia in the prior period.

The comparable effective tax rate was 22% and 21% for the years ended 31 December 2022 and 31 December 2021, respectively.

Business and financial review continued

Return on invested capital

ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business. For the year ended 31 December 2022, ROIC increased by 112 basis points on a pro forma basis, to 9.1%, versus 2021 reflecting the increase in comparable operating profit, and continued focus on capital allocation.

| ROIC In millions of € | Year ended 31 December | | |
|---|------------------------|-------------------------------|---------------|
| | 2022 | 2021 Pro forma ^(C) | 2021 |
| Comparable operating profit^(A) | 2,138 | 1,886 | 1,772 |
| Taxes ^(B) | (474) | (399) | (367) |
| Non-controlling interest | (13) | (12) | (8) |
| Comparable operating profit after tax attributable to shareholders | 1,651 | 1,475 | 1,397 |
| Opening borrowings less cash and cash equivalents and short-term investments ^(C) | 11,675 | 12,498 | 5,664 |
| Opening equity attributable to shareholders ^(C) | 7,033 | 5,911 | 6,025 |
| Opening invested capital | 18,708 | 18,409 | 11,689 |
| Closing borrowings less cash and cash equivalents and short-term investments | 10,264 | 11,675 | 11,675 |
| Closing equity attributable to shareholders | 7,447 | 7,033 | 7,033 |
| Closing invested capital | 17,711 | 18,708 | 18,708 |
| Average invested capital | 18,210 | 18,559 | 15,199 |
| ROIC | 9.1% | 8.0% | 9.2% |

(A) Reconciliation from reported operating profit to comparable operating profit and to pro forma comparable operating profit is included in Supplementary Financial Information – Income Statement on pages 83-85.

(B) Tax rate used is the comparable effective tax rate for the year (2022: 22%; 2021 pro forma: 21%; 2021: 21%).

(C) In light of the CCL acquisition and in order to provide investors with a more meaningful measure of capital efficiency for 2021, a pro forma ROIC measure has been presented. To derive this pro forma measure, opening borrowings, cash and cash equivalents and short-term investments, and equity attributable to shareholders have been extracted from the unaudited pro forma condensed combined statement of financial position as of 31 December 2020 prepared in connection with proposed financing of the CCL acquisition and furnished on Form 6-K on 20 April 2021, and adjusted for any associated acquisition accounting fair value adjustments in the period through to 31 December 2021. These adjustments include an increase in borrowings of €38 million and a decrease in equity attributable to shareholders of €18 million.

Liquidity and capital management

Liquidity

Liquidity risk is actively managed to ensure we have sufficient funds to satisfy our commitments as they fall due. Our sources of capital include, but are not limited to, cash flows from operating activities, public and private issuances of debt securities and bank borrowings. We believe our operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund our working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity.

The Group has amounts available for borrowing under a €1.95 billion multi currency credit facility with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes and supporting the Group's working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfil their commitments to the Group as at the date of this report. The Group's current credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2022, the Group had no amounts drawn under this credit facility.

Net cash flows from operating activities were €2,932 million in 2022, an increase of 38.5%, or €815 million, from €2,117 million in 2021, reflecting the full year impact of the API operations acquired in 2021, the impact of increased revenue performance and working capital benefits. These cash flows were primarily generated from our operations and included restructuring cash outflows of €86 million.

In 2022, we continued to monitor our investment in capital expenditure programmes, given continued uncertainty. Our 2022 capital spend on property, plant and equipment and capitalised software as part of our business capability programme was €603 million, compared to €446 million in 2021.

Free cash flow generation for the year was strong totalling €2,057 million, or €1,805 million after adjusting for €252 million in cash proceeds received in December 2022 from the regional tax authorities in Bizkaia (Basque Region) in connection with an ongoing dispute regarding historical VAT amounts related to the period 2013-2016. A significant increase relative to our 2021 total of €1,460 million reflecting strong operating performance, the benefit of continued working capital initiatives and the full year impact of API operations.

Business and financial review continued

| Free cash flow In millions of € | Year ended 31 December | |
|---|------------------------|--------------|
| | 2022 | 2021 |
| Net cash flows from operating activities | 2,932 | 2,117 |
| Less: Purchases of property, plant and equipment | (500) | (349) |
| Less: Purchases of capitalised software | (103) | (97) |
| Add: Proceeds from sales of property, plant and equipment | 11 | 25 |
| Less: Payments of principal on lease obligations | (153) | (139) |
| Less: Interest paid, net | (130) | (97) |
| Free cash flow | 2,057 | 1,460 |
| Less: Proceeds received from Spanish VAT dispute | (252) | — |
| Adjusted free cash flow^(A) | 1,805 | 1,460 |

(A) In connection with the ongoing dispute in Spain regarding the refund of historical VAT amounts related to the period 2013-2016, during the year ended 31 December 2022, €252 million of cash proceeds were received from the regional tax authorities of Bizkaia (Basque Region). These proceeds are included within Group's net cash flows from operating activities for the year. Given the unusual nature of this item, and to allow for better period over period comparability of our free cash flow measure, adjusted free cash flow excludes the cash proceeds received from the Bizkaia tax authorities during this year.

In 2022, total borrowings decreased by €1,233 million. This was driven by repayments on third party borrowings of €938 million, repayment of euro commercial paper of €285 million and payments on the principal and interest from lease obligations of €167 million. Movement as a result of fair value hedges resulted in a decrease of borrowings by €161 million. All this was partially offset by additions and other movements on leases of €205 million and currency translation of €113 million. No new debt was issued during the year.

Repayments of bonds include repayments prior to maturity in January 2022 of €700 million 0.75% Notes due in February 2022. The following bonds were also repaid on maturity during the year: A\$200 million 3.375% Notes 2022, repaid in March 2022; A\$30 million 5.06% Notes 2022 and A\$125 million 3.125% Notes 2022, both repaid in July 2022.

Capital management

The primary objective of our capital management strategy is to ensure strong ratings and to maintain appropriate capital ratios to support our business and maximise shareholder value. Our credit ratings are periodically reviewed by rating agencies. We regularly assess debt and equity capital levels against our stated policy for capital structure. Our capital structure is managed and, as appropriate, adjusted in light of changes in economic conditions and our financial policy.

Liquidity risk is actively managed to ensure we have sufficient funds to satisfy our commitments as they fall due. Our sources of capital include, but are not limited to, cash flows from operations, public and private issuances of debt securities and bank borrowings. We believe our operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund our working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity.

We also have amounts available for borrowing under a €1.95 billion multi currency credit facility (2021: €1.95 billion) with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes and supporting the Group's working capital needs. The current credit facility contains no financial covenants that would impact the Group's liquidity or access to capital. As at 31 December 2022, the Group had no amounts drawn under this credit facility.

| Net debt In millions of € | Year ended 31 December | | Credit ratings | | |
|---|------------------------|---------------|---|---------|---------------|
| | 2022 | 2021 | As of 16 March 2023 | Moody's | Fitch Ratings |
| Total borrowings | 11,907 | 13,140 | Long-term rating | Baa1 | BBB+ |
| Fair value of hedges related to borrowings ^(A) | (83) | (110) | Outlook | Stable | Stable |
| Other financial assets/liabilities ^(A) | 25 | 42 | Note: Our credit ratings can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions and working capital management activities of TCCC and/or changes in the credit rating of TCCC. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time. | | |
| Adjusted total borrowings^(A) | 11,849 | 13,072 | | | |
| Less: cash and cash equivalents ^(B) | (1,387) | (1,407) | | | |
| Less: short-term investments ^(C) | (256) | (58) | | | |
| Net debt | 10,206 | 11,607 | | | |

(A) Net debt includes adjustments for the fair value of derivative instruments used to hedge both currency and interest rate risk on the Group's borrowings. In addition, net debt also includes other financial assets/liabilities relating to cash collateral pledged by/to external parties on hedging instruments related to borrowings.

(B) Cash and cash equivalents as at 31 December 2022 and 31 December 2021, includes €102 million and €45 million, respectively, of cash in Papua New Guinea Kina. Presently, there are government-imposed currency controls which impact the extent to which the cash held in Papua New Guinea can be converted into foreign currency and remitted for use elsewhere in the Group.

(C) Short-term investments are term cash deposits with maturity dates when acquired of greater than three months and less than one year. These short-term investments are held with counterparties that are continually assessed with a focus on preservation of capital and liquidity. Short-term investments as at 31 December 2022 and 31 December 2021 includes €49 million and €44 million, respectively, of assets in Papua New Guinea Kina, subject to the same currency controls outlined above.

The ratio of net debt to adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage, and so we provide a reconciliation of this measure. Net debt enables investors to see the economic effect of total borrowings, fair value impact of related hedges and other financial assets/liabilities, cash and cash equivalents and short-term investments in total. Adjusted EBITDA is calculated as EBITDA after adding back items impacting the comparability of year over year financial performance.

Adjusted EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs and, although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements.

Business and financial review continued

Net debt to adjusted EBITDA

Adjusted EBITDA in 2022 totalled €2.9 billion and increased relative to 2021, on a pro forma basis, by €222 million. For 2021, we have provided a pro forma calculation for our net debt to adjusted EBITDA ratio as if the Acquisition had occurred at the beginning of 2021. We believe this calculation allows for a better understanding of our capital position in the context of CCEP.

The increase versus 2021 pro forma adjusted EBITDA was primarily driven by the increase in comparable operating profit reflecting increased revenue. The ratio of net debt to adjusted EBITDA is 3.5 versus 4.3 in 2021, on a pro forma basis, reflecting the decrease in net debt due to the repayment of borrowings and the increase in adjusted EBITDA.

| Adjusted EBITDA In millions of € | Year ended 31 December | | |
|--|------------------------|-------------------------------|--------------|
| | 2022 | 2021 Pro forma ^(A) | 2021 |
| Reported profit after tax | 1,521 | 988 | 988 |
| Taxes | 436 | 394 | 394 |
| Finance costs, net | 114 | 129 | 129 |
| Non-operating items | 15 | 5 | 5 |
| Reported operating profit | 2,086 | 1,516 | 1,516 |
| Pro forma adjustments CCL ^(B) | — | 117 | — |
| Transaction accounting adjustments ^(C) | — | (68) | — |
| Pro forma operating profit | | 1,565 | |
| Depreciation and amortisation ^(D) | 816 | 858 | 782 |
| Reported EBITDA | 2,902 | 2,423 | 2,298 |
| Items impacting comparability | | | |
| Restructuring charges ^(E) | 119 | 97 | 97 |
| Defined benefit plan closure ^(F) | — | (9) | (9) |
| Acquisition and integration related costs ^(G) | 3 | 110 | 49 |
| Inventory step up costs ^(H) | — | 48 | 48 |
| European flooding ^(I) | (11) | 15 | 15 |
| Defined benefit plan amendment ^(J) | (7) | — | — |
| Coal royalties ^(K) | (96) | — | — |
| Other ^(L) | — | 4 | — |
| Adjusted EBITDA | 2,910 | 2,688 | 2,498 |
| Net debt to EBITDA | 3.5 | 4.8 | 5.1 |
| Net debt to adjusted EBITDA | 3.5 | 4.3 | 4.7 |

- (A) Reconciliation from reported operating profit to comparable operating profit and to pro forma comparable operating profit is included in Supplementary financial information – Income Statement on pages 83-85.
 (B) Amounts represent adjustments to include CCL financial results prepared on a basis consistent with CCEP accounting policies, as if the Acquisition had occurred on 1 January 2021 and excludes CCL acquisition and integration-related costs.
 (C) Amounts represent transaction accounting adjustments for the period 1 January to 10 May as if the Acquisition had occurred on 1 January 2021.
 (D) Includes the depreciation and amortisation impact relating to provisional fair values for intangibles and property plant and equipment as at 31 December 2021. On a pro forma basis, it includes the depreciation and amortisation as if the Acquisition had occurred on 1 January 2021.
 (E) Amounts represent restructuring charges related to business transformation activities, excluding accelerated depreciation included in the depreciation and amortisation line.
 (F) Amounts represent the impact of the closure of the GB defined benefit pension scheme to future benefits accrual on 31 March 2021.
 (G) Amounts represent costs associated with the acquisition and integration of CCL.
 (H) Amounts represent the non-recurring impact of the fair value step-up of API finished goods.
 (I) Amounts represent the incremental expense incurred offset/partially offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
 (J) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.
 (K) Amounts represent other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia.
 (L) Amounts represent charges incurred prior to Acquisition classified as non-trading items by CCL which are not expected to recur.

Dividends

In line with our commitments to deliver long-term value to shareholders, we paid a first half interim dividend of €0.56 per share in May 2022 and a second half interim dividend of €1.12 per share in December 2022, based on comparable diluted earnings per share, maintaining a payout ratio of approximately 50% in line with our dividend policy. For the year ended 31 December 2022, dividend payments totalled €763 million (2021: €638 million).

Share buyback

No Shares were repurchased in 2022 and 2021.

Business and financial review continued

Supplementary financial information – Income Statement – Reported to comparable

The following provides a summary reconciliation of CCEP's reported and comparable results for the full year ended 31 December 2022 and 31 December 2021:

| Full year 2022 | As reported | Items impacting comparability | | | | | | Comparable |
|---|--------------|--------------------------------------|--|----------------------------------|---|-------------------------------|--------------|------------|
| Unaudited, in millions of € except per share data which is calculated prior to rounding | CCEP | Restructuring charges ^(A) | Acquisition and integration related costs ^(B) | European flooding ^(C) | Defined benefit plan amendment ^(D) | Coal royalties ^(E) | CCEP | |
| Revenue | 17,320 | — | — | — | — | — | 17,320 | |
| Cost of sales | 11,096 | (19) | — | 11 | — | — | 11,088 | |
| Gross profit | 6,224 | 19 | — | (11) | — | — | 6,232 | |
| Operating expenses | 4,234 | (144) | (3) | — | 7 | — | 4,094 | |
| Other income | 96 | — | — | — | — | (96) | — | |
| Operating profit | 2,086 | 163 | 3 | (11) | (7) | (96) | 2,138 | |
| Total finance costs, net | 114 | — | — | — | — | — | 114 | |
| Non-operating items | 15 | — | — | — | — | — | 15 | |
| Profit before taxes | 1,957 | 163 | 3 | (11) | (7) | (96) | 2,009 | |
| Taxes | 436 | 42 | — | (3) | (1) | (29) | 445 | |
| Profit after taxes | 1,521 | 121 | 3 | (8) | (6) | (67) | 1,564 | |
| Attributable to: | | | | | | | | |
| Shareholders | 1,508 | 121 | 3 | (8) | (6) | (67) | 1,551 | |
| Non-controlling interest | 13 | — | — | — | — | — | 13 | |
| Profit after taxes | 1,521 | 121 | 3 | (8) | (6) | (67) | 1,564 | |
| Diluted earnings per share (€) | 3.29 | 0.27 | 0.01 | (0.02) | (0.01) | (0.15) | 3.39 | |

| Full year 2021 | As reported | Items impacting comparability | | | | | | Comparable |
|---|--------------|--------------------------------------|---|--|--|----------------------------------|------------------------|--------------|
| Unaudited, in millions of € except per share data which is calculated prior to rounding | CCEP | Restructuring charges ^(A) | Defined benefit plan closure ^(F) | Total Acquisition related costs ^(B) | Inventory step up costs ^(G) | European flooding ^(C) | Net tax ^(H) | CCEP |
| Revenue | 13,763 | — | — | — | — | — | — | 13,763 |
| Cost of sales | 8,677 | (17) | 3 | — | (48) | (9) | — | 8,606 |
| Gross profit | 5,086 | 17 | (3) | — | 48 | 9 | — | 5,157 |
| Operating expenses | 3,570 | (136) | 6 | (49) | — | (6) | — | 3,385 |
| Other income | — | — | — | — | — | — | — | — |
| Operating profit | 1,516 | 153 | (9) | 49 | 48 | 15 | — | 1,772 |
| Total finance costs, net | 129 | — | — | (4) | — | — | — | 125 |
| Non-operating items | 5 | — | — | — | — | — | — | 5 |
| Profit before taxes | 1,382 | 153 | (9) | 53 | 48 | 15 | — | 1,642 |
| Taxes | 394 | 43 | 4 | 10 | 13 | 3 | (127) | 340 |
| Profit after taxes | 988 | 110 | (13) | 43 | 35 | 12 | 127 | 1,302 |
| Attributable to: | | | | | | | | |
| Shareholders | 982 | 109 | (13) | 43 | 34 | 12 | 127 | 1,294 |
| Non-controlling interest | 6 | 1 | — | — | 1 | — | — | 8 |
| Profit after taxes | 988 | 110 | (13) | 43 | 35 | 12 | 127 | 1,302 |
| Diluted earnings per share (€) | 2.15 | 0.24 | (0.03) | 0.09 | 0.07 | 0.03 | 0.28 | 2.83 |

(A) Amounts represent restructuring charges related to business transformation activities.

(B) Amounts represent cost associated with the acquisition and integration of CCL.

(C) Amounts represent the incremental expense incurred offset/partially offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.

(D) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.

(E) Amounts represent other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia.

(F) Amounts represent the impact of the closure of the GB defined benefit pension scheme to future benefits accrual on 31 March 2021.

(G) Amounts represent the non-recurring impact of the fair value step-up of API finished goods.

(H) Amounts include the deferred tax impact related to income tax rate and law changes.

Business and financial review continued

Supplementary financial information – Income Statement – Reported to pro forma comparable

The following provides a summary reconciliation of CCEP's reported and pro forma comparable results for the full year ended 31 December 2021:

| Full year 2021 | As reported | Pro forma adjustments CCL ^(A) | Transaction accounting adjustments ^(B) | Pro forma combined | Items impacting comparability ^(C) | Pro forma comparable |
|---|--------------|--|---|--------------------|--|----------------------|
| Unaudited, in millions of € except per share data which is calculated prior to rounding | CCEP | | | CCEP | | CCEP |
| Revenue | 13,763 | 1,056 | — | 14,819 | — | 14,819 |
| Cost of sales | 8,677 | 616 | — | 9,293 | (71) | 9,222 |
| Gross profit | 5,086 | 440 | — | 5,526 | 71 | 5,597 |
| Operating expenses | 3,570 | 323 | 68 | 3,961 | (250) | 3,711 |
| Operating profit | 1,516 | 117 | (68) | 1,565 | 321 | 1,886 |
| Total finance costs, net | 129 | 12 | 9 | 150 | (4) | 146 |
| Non-operating items | 5 | (1) | — | 4 | — | 4 |
| Profit before taxes | 1,382 | 106 | (77) | 1,411 | 325 | 1,736 |
| Taxes | 394 | 29 | (20) | 403 | (36) | 367 |
| Profit after taxes | 988 | 77 | (57) | 1,008 | 361 | 1,369 |
| Attributable to: | | | | | | |
| Shareholders | 982 | 74 | (58) | 998 | 359 | 1,357 |
| Non-controlling interest | 6 | 3 | 1 | 10 | 2 | 12 |
| Profit after taxes | 988 | 77 | (57) | 1,008 | 361 | 1,369 |
| Diluted earnings per share (€) | 2.15 | 0.16 | (0.13) | 2.18 | 0.79 | 2.97 |

(A) Amounts represent adjustments to include CCL financial results prepared on a basis consistent with CCEP accounting policies, as if the Acquisition had occurred on 1 January 2021 and excludes CCL acquisition and integration-related costs.

(B) Amounts represent transaction accounting adjustments for the period 1 January to 10 May as if the Acquisition had occurred on 1 January 2021. These include the depreciation and amortisation impact relating to provisional fair values for intangibles and property plant and equipment, the interest impact of additional debt financing reflecting the actual weighted average interest rate for Acquisition financing of c.0.40% and the inclusion of acquisition and integration-related costs incurred by CCL prior to the Acquisition.

(C) Items impacting comparability represents amounts included within pro forma Combined CCEP affecting the comparability of CCEP's year over year financial performance and are set out in the following table:

Business and financial review continued

| Full year 2021 | Items impacting comparability | | | | | | | Total items impacting comparability |
|---|--------------------------------------|---|--|--|----------------------------------|------------------------|----------------------|-------------------------------------|
| | Restructuring charges ^(A) | Defined benefit plan closure ^(B) | Acquisition and integration related costs ^(C) | Inventory step up costs ^(D) | European flooding ^(E) | Net tax ^(F) | Other ^(G) | |
| Unaudited, in millions of € except per share data which is calculated prior to rounding | | | | | | | | |
| Revenue | — | — | — | — | — | — | — | — |
| Cost of sales | (17) | 3 | — | (48) | (9) | — | — | (71) |
| Gross profit | 17 | (3) | — | 48 | 9 | — | — | 71 |
| Operating expenses | (136) | 6 | (110) | — | (6) | — | (4) | (250) |
| Operating profit | 153 | (9) | 110 | 48 | 15 | — | 4 | 321 |
| Total finance costs, net | — | — | (4) | — | — | — | — | (4) |
| Non-operating items | — | — | — | — | — | — | — | — |
| Profit before taxes | 153 | (9) | 114 | 48 | 15 | — | 4 | 325 |
| Taxes | 43 | 4 | 27 | 13 | 3 | (127) | 1 | (36) |
| Profit after taxes | 110 | (13) | 87 | 35 | 12 | 127 | 3 | 361 |
| Attributable to: | | | | | | | | |
| Shareholders | 109 | (13) | 87 | 34 | 12 | 127 | 3 | 359 |
| Non-controlling interest | 1 | — | — | 1 | — | — | — | 2 |
| Profit after taxes | 110 | (13) | 87 | 35 | 12 | 127 | 3 | 361 |
| Diluted earnings per share (€) | 0.24 | (0.03) | 0.19 | 0.07 | 0.03 | 0.28 | 0.01 | 0.79 |

(A) Amounts represent restructuring charges related to business transformation activities.

(B) Amounts represent the impact of the closure of the GB defined benefit pension scheme to future benefits accrual on 31 March 2021.

(C) Amounts represent cost associated with the acquisition and integration of CCL.

(D) Amounts represent the non-recurring impact of the provisional fair value step-up of API finished goods. For 2021, these charges are included within the As Reported results.

(E) Amounts represent the incremental net costs incurred as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.

(F) Amounts include the deferred tax impact related to income tax rate and law changes.

(G) Amounts represent charges incurred prior to Acquisition classified as non-trading items by CCL which are not expected to recur.

Operating profit by segment

Operating profit Europe

In millions of €. FX impact calculated by recasting current year results at prior year rates.

| | Year ended 31 December | | |
|---|------------------------|--------------|--------------|
| | 2022 | 2021 | % Change |
| As reported | 1,529 | 1,298 | 18.0% |
| Adjust: Total items impacting comparability | 141 | 202 | n/a |
| Comparable | 1,670 | 1,500 | 11.5% |
| Adjust: Impact of FX changes | — | n/a | n/a |
| Comparable and FX neutral | 1,670 | 1,500 | 11.5% |

Pro forma operating profit API

In millions of €. FX impact calculated by recasting current year results at prior year rates.

| | Year ended 31 December | | |
|---|------------------------|------------|---------------|
| | 2022 | 2021 | % Change |
| As reported | 557 | 218 | 155.5% |
| Add: Pro forma adjustments | — | 117 | |
| Adjust: Transaction accounting adjustments | — | (68) | n/a |
| Adjust: Total items impacting comparability | (89) | 119 | |
| Pro forma comparable | 468 | 386 | 21.0% |
| Adjust: Impact of FX changes | (20) | n/a | n/a |
| Pro forma comparable and FX neutral | 448 | 386 | 16.0% |

The Company's Strategic Report is set out on pages 1–85. The Strategic Report was approved by the Board on 17 March 2023 and signed on its behalf by

Damian Gammell, Chief Executive Officer