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.

CDP A LIST 2022 CLIMATE WATER

MSCI ESG RATINGS AAA

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

PLATINUM Top 1% 2023 ecovadis Sustainability Rating

FTSE4Good

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 cocacolaep.com/sustainability/this-is-forward

This is Forward – CCEP's sustainability action plan

Coca-Cola EUROPACIFIC PARTNERS THIS IS FORWARD

Forward on **climate**
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Forward on **society**
communities
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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**	a. Describe the Board's oversight of climate-related risks and opportunities	**TCFD, Governance:** pages 29-31 **Corporate governance report:** pages 97-107 **Audit Committee report:** pages 112-116 **ESG Committee report:** pages 117-118
		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**	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	**TCFD, Strategy and Metrics and targets:** pages 31-37 **Our strategy:** pages 21-25 **Principal risks:** pages 64-71 **Note 1, 7 and 8 to the Consolidated financial statements:** pages 165-166; pages 170-173; and pages 174-176 **Viability statement:** page 72 Strategy disclosure 'c' is work in progress: Developing a low-carbon transition plan in line with a 1.5°C pathway. Our climate scenario analysis will inform our understanding of our risks, and increase the resilience of our strategic plans over the medium to 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**	a. Describe the organisation's processes for identifying and assessing climate-related risks	**TCFD, Risk management:** pages 32-36 **Principal risks:** pages 64-71 **Audit Committee report:** pages 112-116 **ESG Committee report:** pages 117-118
		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**	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	**TCFD, Metrics and targets:** page 37 **Forward on climate:** pages 38-41 **Long-term incentives within Annual report on remuneration:** pages 131-132
		b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	**TCFD, Metrics and targets:** page 37
		c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	**Our sustainability headline commitments:** pages 26-27 **Sustainability key performance data summary:** pages 249-252 **Note 8 to the Consolidated financial statements:** pages 174-176

(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
- Ouputs 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 CO_2e 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/tCO_2e 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 Risilience, 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	• 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

		Short-term cumulative gross risk - Five-year discounted cash flow (assuming no mitigation)		
Physical risks	**What could be expected**	**>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**	● **Low**	● **Low**
		• 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.		
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**	● **Low**	● **Low**
		• 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.		
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**	● **Low**	● **Low**
		• 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.		
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**	• 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.	• We work to adapt to and mitigate climate-related risks to our business from extreme weather events by investing in: – 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**	• 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.	• 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**	• 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).	• 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

		Short-term gross risk - 5 year discounted cash flow (assuming no mitigation)		
Transition risk	**What could be expected?**	**>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_2e of carbon taxes in year five	● **Medium** Assumes an average €80/tCO_2e 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**	Introduction of carbon and/or packaging taxes or levies, aimed at reducing GHG emissions from packaging and waste, that could result in: • increased costs for packaging materials	• 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	Increase in carbon taxes, aimed at reducing GHG emissions within industry groups that could result in: • increased energy costs • increased raw materials costs	• 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: – 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 CO_2e. 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**	• Loss of revenue and/or missed growth opportunities	• 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**	• Asset write downs, investments in low-emission technology to meet market regulation	• 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**	• Loss of revenue and/or missed growth opportunities due to consumer activism against our sector and/or our products	• 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

	Group[B]		UK and UK offshore[C]		
Tonnes of CO_2e	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 CO_2e / 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 CO_2e, 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%

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[D] to set science based targets by 2023 (Europe) and by 2025 (API)

Group
Target
100% by 2025
2022 17.0%

Europe
Target
100% by 2023
2022 27.0%

API
Target
100% by 2025
2022 5.0%

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/tCO_2e 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 CO_2.

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 CO_2 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.

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 CO_2e[(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%).

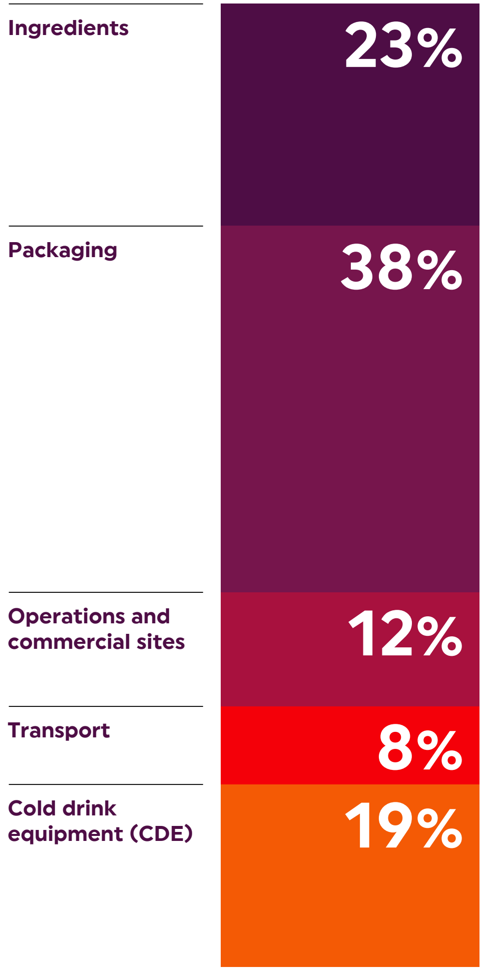
Read more about our packaging activities
on pages 42-45

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

GHG emissions across our value chain (Group)[(C)]



(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%.

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

(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 CO_2 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 CO_2e 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
Europe	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%
Europe	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 tCO_2e 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% CO_2e 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% CO_2e 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 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 50% by 2025
2022: 48.5%

Europe — Target 50% by 2023
2022: 56.3%
2021: 52.9%

API — Target 50% by 2025
2022: 26.9%

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

Group — Target 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 CO_2e. 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.

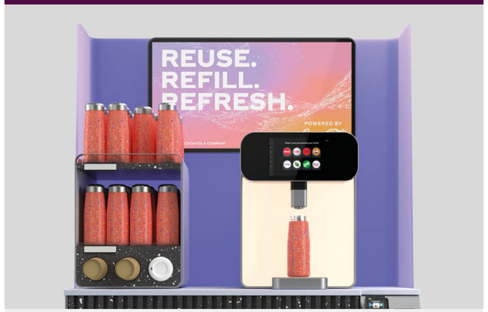
We continue to innovate our dispensed product offering and work with partners to develop new digitally advanced smart dispensing equipment. We are engaging with customers and consumers to encourage more sustainable choices, such as switching from single use to reusable drinking vessels. Through pilot 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)

Target 100%

Group
2022 100%

Europe
2022 100%

API
2022 100%

Water replenishment
Replenish 100% of the water we use in our beverages

Target 100%

Group
2022 105.5%

Europe
2022 101.6%

API
2022 120.8%

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

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 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 m^3 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.

ALLIANCE FOR WATER STEWARDSHIP

CDP DISCLOSURE INSIGHT ACTION A LIST 2022 CLIMATE WATER

(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

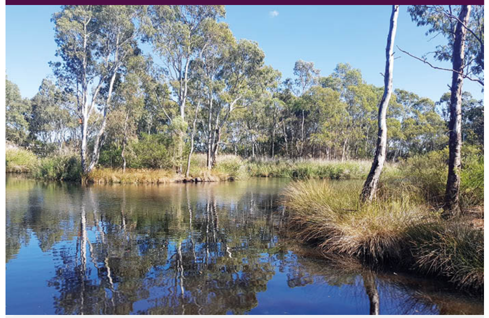
We aim to leave nature in a better state than we find it by building adaptation and resilience into our main operating and sourcing regions.

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

Target 100%

	Year	Performance
Group	2022	97.5%
Europe	2022	97.3%
Europe	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

Target 100%

	Year	Performance
Group	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

Target 100%

	Year	Performance
Group	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.

Supplier identification	Definition	Requirements for all suppliers	Specific requirements
Strategic suppliers	• Directly managed and influenced by our procurement teams • Represent about 80% of our addressable spend • Engagement on sustainability extends to approximately 400 suppliers	• In 2022, we launched our Responsible Sourcing Policy (RSP), which sets out mandatory guidelines for all our suppliers[(A)] • SGPs and PSA are incorporated into this policy • RSP is incorporated into all new contracts, and are part of our standard conditions of purchase	• 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	• Subset of strategic suppliers • Approximately 200 suppliers • Represent about 80% of our Scope 3 GHG emissions		In addition to strategic supplier requirements, carbon strategic suppliers are encouraged to: • 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

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.

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	• ~750k tonnes of beet sugar • ~350k tonnes of cane sugar	• Bonsucro • FSA Gold and silver • Redcert 2	• Europe: 100% third party standard and PSA-compliant • API: 90.3% third party standard and PSA-compliant
Pulp and paper	Directly by CCEP	• Europe: ~85k tonnes of board for secondary and tertiary packaging, and marketing materials • API: ~50k tonnes of board for secondary and tertiary packaging[(A)]	• Forest Stewardship Council (FSC) • Certification endorsed by the Programme for the Endorsement of Forest Certification (PEFC)	• 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	• 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)	• Sustainable Agriculture Initiative Platform (SAI)	• Europe: 92% PSA compliance for orange and 100% for lemon • API: 100% PSA compliance for orange and lemon
Coffee and tea	Directly by CCEP	• Grinders brand	• Rainforest Alliance • Fairtrade	• 64% compliance for this CCEP owned brand in API
	The Coca-Cola Company	• Costa, Chaqwa and Fuze Tea brands	• Rainforest Alliance • Fairtrade	• 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.

Supplier LoCT
Leadership on Climate Transition

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 cocacolaep.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.

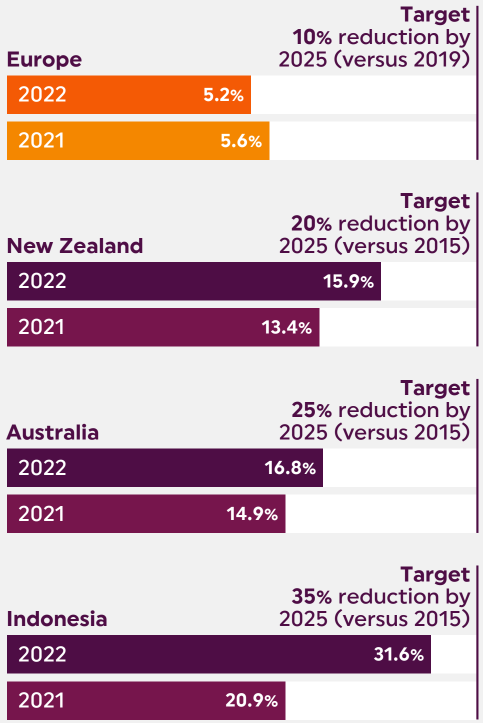
Our focus is on empowering consumers to make more informed choices by providing product and nutritional information that is easy to understand, and by offering smaller and more convenient packaging sizes.

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]



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)

(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:

fuzetea® COSTA COFFEE CHAQWA

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 45% by 2030
2022: 37.2%

Gender diversity
A third of our workforce to be women by 2030

Group — Target 33% by 2030
2022: 23.8%

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

Group — Target <1
2022: 0.87

Europe — Target <1
2022: 1.04

API — Target <1
2022: 0.62

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.

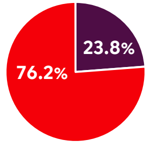
We are also members of the Business Disability Forum, Stonewall's Diversity Champions programme, global LGBTQ+ leadership community RAHM, the European Network Against Racism and the Social Mobility Index.

In 2022, we proudly became the first beverage company to be listed on the Global Stonewall Workplace equality index achieving Bronze status.

Workforce diversity 2022

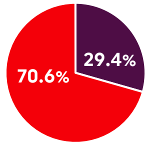
Female Male

Total employees
(including part time employees)



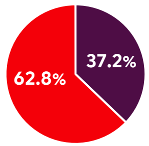
Total: 33,295(A)
7,922
25,372

Board of Directors



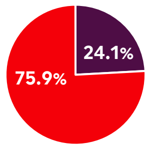
Total: 17
5
12

Leadership
(senior management grade including ELT)(B)(C)



Total: 3,379(D)
1,256
2,123

Directors of subsidiary companies(C)



Total: 116
28
88

(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.
(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 cocacolaep.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 CO_2e 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 UKCGC, 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

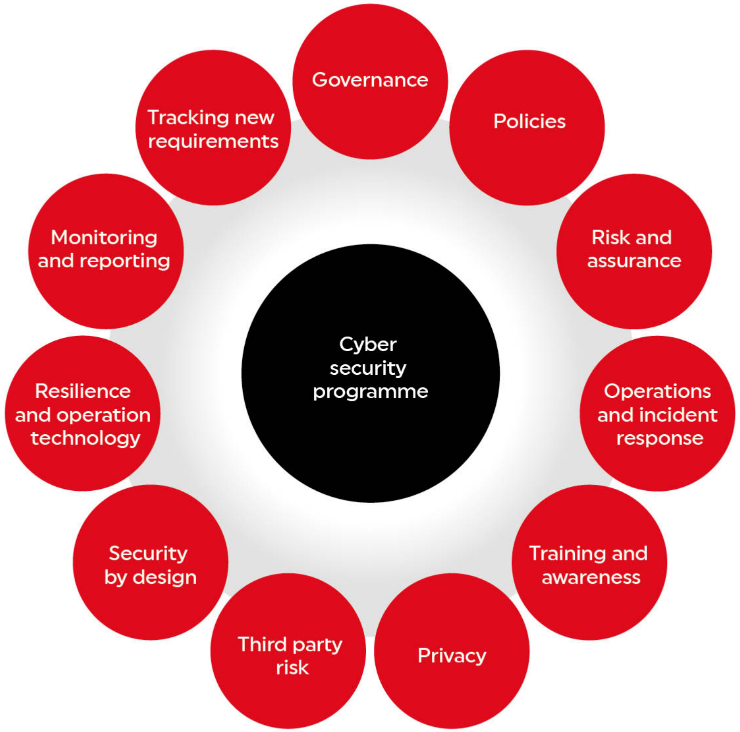
Any employee who wishes to raise concerns about wrongdoing at CCEP is encouraged to seek advice from their line manager and/or raise a report through our internal Speak Up Resources and/or dedicated and confidential external Speak Up channels. When any employee raises a concern in relation to the CoC, 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