

OUR APPROACH TO PUBLIC POLICY ENGAGEMENT

Coca-Cola Europacific Partners (CCEP) is one of the world's largest independent bottlers of Coca-Cola products¹. We manufacture and distribute products designed, innovated and reformulated by The Coca-Cola Company (TCCC) and other franchisors. Over the past few years we have faced a series of new policy challenges which could impact on the way our business operates. These are mainly related to taxation on our ingredients – particularly sugar and sometimes sweeteners – as well as packaging and the introduction of deposit return systems on our products.

We employ a small team of Public Affairs and Communications professionals across our territories to represent our Company and its interests in public policy and on trade associations. However, due to the nature of the franchise system of which we are a part, we also work closely in partnership with Public Affairs professionals engaged by our brand owners – in particular TCCC – to represent the interests of our company and brands publicly and with political organisations. TCCC also works with a variety of health experts as disclosed publicly on its [website](#).

CCEP engages in political advocacy to ensure our views and interests are understood by those who have the potential to impact the laws, regulations and policies that could influence our business. We do this mainly through trade associations, which lobby on our behalf for the causes and industries they represent. We also sometimes engage in direct advocacy; however, this is a very small part of our activities.

We are members of trade associations in each of the countries in which we operate where these bodies exist, and are represented on these bodies by our General Managers or public affairs team members. The majority of these are focused solely on soft drinks (e.g. the [British Soft Drinks Association \(BSDA\)](#)), but in some cases these associations also cover the interests of beer and breweries (e.g. [Sveriges Bryggerier](#) – the Swedish Brewers Association) and/or bottled water and bottled water producers (e.g. [FWS](#) – the Dutch association for soft drinks, waters and juices).

OUR KEY ADVOCACY AREAS

While CCEP is affected by many different policies and regulations, over the past five years we have focused our advocacy on three main areas that have been the topic of considerable policy debate across our geographies. These are as follows:

- **Product-specific policies, such as taxes, restrictions or regulations:** We contribute substantially to the local and international economy through jobs, investment, taxes and community investment. As such, we actively oppose discriminatory taxes or policies that single out our industry, products or ingredients.
- **Packaging policies and beverage container deposit systems:** Our use of plastic packaging is under increasing scrutiny and we have set goals to collect the equivalent of 100% of our packaging by 2025 and to use at least 50% recycled PET in our packaging by 2023. As a result, we support well designed policy interventions that will enable us to get closer to our goals. In many of our markets, this includes support for well designed beverage container deposit systems, which, if created on a national

scale, with industry ownership and clear consumer communication, can help to boost recycling, reduce waste and tackle littering. Conversely, we do not support blanket packaging taxation – and believe that any new regulation or economic incentive on packaging should instead aim to ensure that businesses which are already making progress towards more sustainable packaging (high recyclability, high recycled content use) or which are obligated by another system (e.g. deposit return schemes (DRS)) should not be burdened by additional taxation measures.

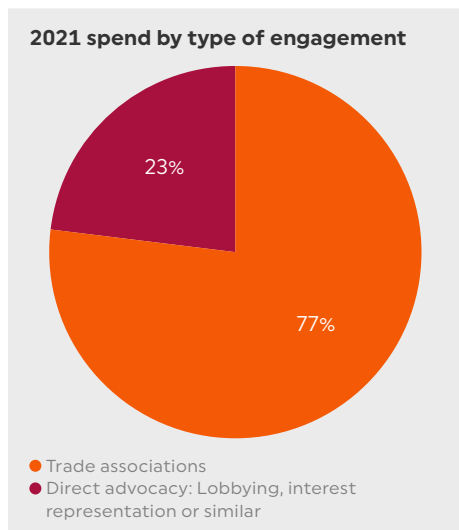
- **Health & Nutrition:** We are committed to using our brands and marketing platforms to help ensure that 50% of our sales come from low and no calories drinks by 2025. We support schemes that promote a consistent approach to labelling across markets and align with EU legislation, and we're encouraged to see growing support for colour-based interpretive labelling across the EU. We are closely monitoring developments related to the EU-led process underway for front-of-pack nutrition labelling. We are also making smaller and more convenient pack sizes more readily available, with increased activation focus in all our territories. To ensure we do not market to children under 13, we inform and train our sales and marketing teams with clear operational guidelines to meet our external commitments. We do our best to support the needs of our business, so we do not support policies that unfairly focus on any single food or beverage category or ingredient including sugar or our sweeteners.

1. In May 2021, Coca-Cola European Partners completed the acquisition of Coca-Cola Amatil, becoming Coca-Cola Europacific Partners (CCEP). Following the acquisition we established a new business unit within our operating model: Australia, the Pacific and Indonesia (API). Content refers to Europe unless otherwise stated.

OVERVIEW OF COSTS RELATED TO PUBLIC POLICY INFLUENCE

In 2021, we spent a total of €2,863,000 on public policy, trade association and advocacy activities. This represents 0.03% of our revenue in the same year.

The chart below shows how this is distributed between the different types of engagement we undertake. The vast majority is with our trade associations (€2,217,000). The remainder (€646,000) is spent on direct advocacy and campaigns.



NATIONAL POLITICAL ORGANISATIONS, STATE OR LOCAL POLITICAL CAMPAIGNS, CANDIDATES OR COMMITTEES

As per our [Code of Business Conduct](#), CCEP does not make political donations and is not permitted to do so by law in Belgium, France, GB, Portugal or Spain. However, we recognise our employees' right to participate in the political process as individuals – employees may participate in government and political activities in their own time and at their own expense. Therefore, CCEP will only make political contributions as permitted by law, when necessary approvals have been obtained and in a timely manner. These sorts of donations are extremely rare and we made no political donations in 2021.

TRADE ASSOCIATIONS

The Coca-Cola System is a member of different trade associations representing our interests across a range of issues. These tend to focus on food and drink industry associations, soft drinks industry associations, packaging associations, Chambers of Commerce and others. CCEP holds some memberships while TCCC may hold others. Both companies tend to be represented on the soft drinks associations in all the countries where we operate.

Each association has a role to play in our business, depending on the challenges we face:

Types of associations	Purpose/Types of businesses represented	Examples from CCEP geographies
Business	<ul style="list-style-type: none"> – Voice of a collective industry – represent a large general body of businesses (may also have as members other associations). – May be used to advocate for issues that affect a wide variety of industries (e.g. VAT taxation changes). 	<ul style="list-style-type: none"> Confederation of Norwegian Enterprise – Norway ILEC – France
Food & Drink	<ul style="list-style-type: none"> – Advocates for food & drink related issues, such as sugar taxes, issues which affect all food and drink industry. – Has wider reach, beyond soft drink industry – includes for example confectionary, bakers, food producer. 	<ul style="list-style-type: none"> FEVIA – Belgium Livsmedelföretagen – Sweden
Soft Drink (Beverage)	<ul style="list-style-type: none"> – Represents only soft drink industry and advocates for its specific issues – such as soft drinks taxation, sugar taxation. 	<ul style="list-style-type: none"> British Soft Drinks Association – GB BRF – France ANFABRA – Spain PROBEB – Portugal
Packaging	<ul style="list-style-type: none"> – Advocates for packaging related issues, such as packaging recovery methods, packaging taxation elimination. – Usually represents packaging producers, fillers/packers and importers. – Main topic of interest in 2021 was the EU Green Deal, Circular Economy Action Plan, the review of the Packaging and Packaging Waste Directive and the continuing transposition of the Single-use-Plastic Directive. 	<ul style="list-style-type: none"> EUROPEN – EU

In 2021 we paid €2,217,000 to our trade associations which represents 77% of our total expenditure to influence public policy.

Largest expenditures in 2021

Trade association	Country	Cost in EURO
ANFABRA	Spain	€506,000
BRF	France	€270,000
FEVIA	Belgium	€230,000

Examples issues advocated for via our trade associations in 2021

Topic/Issue	Main entity used	Cost in EURO
<ul style="list-style-type: none"> - EU packaging waste legislation - EU Green Deal including Circular Economy Action Plan and Farm-to-Fork strategy (nutrition labelling and nutrient profiles) 	<u>UNESDA</u>	€166,000
<ul style="list-style-type: none"> - EU packaging waste legislation - EU Green Deal including Circular Economy Action Plan and Farm-to-Fork strategy (packaging-related items) 	<u>EUROPEN</u>	€21,000

DIRECT ADVOCACY – LOBBYING, INTEREST REPRESENTATION OR SIMILAR

It is sometimes necessary, for communications purposes or for items where we either do not have a specific trade association or if the trade associations does not have the capability or resources to advocate for a position, to spend money on direct advocacy or campaigns. We tend to do this with the support of agencies.

In 2021, we spent €646,000 on direct advocacy in specific countries. This represents 23% of our total public policy influence expenditure and is roughly the same level as 2020 but increased on the 8% share in 2019. This included continued spend in the UK for support of and advocacy around the delayed COP26 which took place in October 2021, and our support for the Mares Circulares anti-litter programme in Spain. In addition we joined several economic councils of political parties in Germany and organised a stakeholder engagement platform in the UK called 'Open'.