

Our approach to public policy engagement



Our Approach

The climate-related challenges the world is facing are greater than ever and we recognise that our long-term success will depend on the deep decarbonisation of our business to reach net zero emissions by 2040. This is critical to 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.

However, our actions alone will not be sufficient for us to decarbonise at the scale and pace required. We also need action by governments to create the right enabling conditions to support our decarbonisation trajectory. This is why the aim of our public policy engagement is to create a policy environment that supports our ability to achieve sustainable growth and the delivery of climate policies that align with the Paris Agreement aiming for a 1.5-degree pathway. To support this work, we have defined a set of **climate advocacy principles** for our business.

We employ a small team of Public Affairs and Communications professionals across our territories to contribute to public policy dialogues by sharing our knowledge and expertise with those who have the potential to shape the laws, regulations and policies that both impact our business and could make a difference in people's lives, communities and for our planet.

We do this mainly through trade associations as well as climate leadership business coalitions, which advocate on our behalf for the causes and industries they represent. We actively engage with our trade associations to align advocacy relevant to climate with our support for the 1.5oC ambition and the delivery of the Paris Agreement. We also 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).

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 engage public policy with political organisations. TCCC also works with a variety of health experts as disclosed publicly on its website.⁽¹⁾

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 are for broad based taxes, rather than discriminatory taxes or policies that single out our industry, products or ingredients.
- **Environmental policies**, such as decarbonisation, water security, deforestation free supply chains, corporate sustainability due diligence, nature restoration, empowering consumers for the green transition, packaging and packaging waste, and DRS policies. In addition to our existing commitments, we actively pursue innovations in renewable energy and waste reduction to minimize our carbon footprint and support a circular economy. This includes investing in cutting-edge technologies for cleaner production processes and engaging in partnerships to enhance biodiversity. Through these efforts, we aim to not only comply with EU and global sustainability standards but also to set new benchmarks for environmental stewardship in our industry.
- **We recognise our role in ending plastic pollution** and have set voluntary goals to collect the equivalent of 100% of our packaging by 2030 and to use at least 50% recycled PET in our packaging by 2023 in Europe and in other markets by 2025 - our aim is to stop using virgin oil-based plastic in our bottles by 2030. As a result, we support well-designed policy interventions that will enable us to get closer to our goals. This is why we support the goal of the UNEA Resolution 5/14 to establish of a Global Plastics Treaty. And well designed Extended Producer Responsibility policies which, in many of our markets where waste management infrastructure is developed, includes support for well-designed beverage container deposit systems. We know that, if created on a national scale, with industry ownership and clear consumer communication, these beverage container deposit systems can help to boost recycling, reduce waste and tackle littering.

We support reuse as complementary solution to eliminating plastic pollution and reducing carbon emissions. 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.

⁽¹⁾ <https://www.coca-colacompany.com/policies-and-practices/scientific-research-guiding-principles>

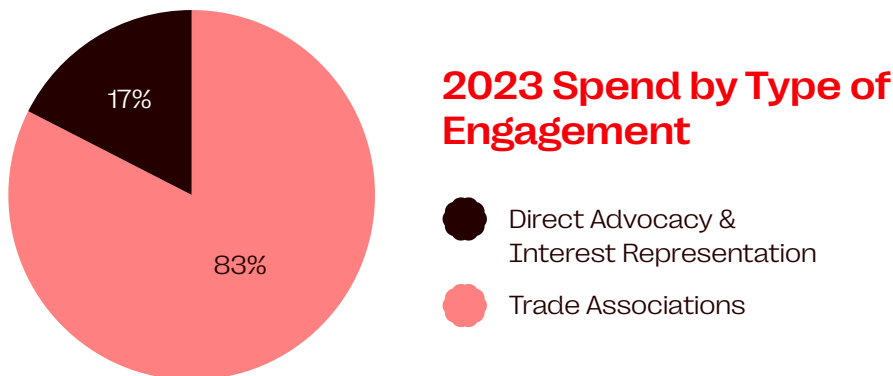
- **Trade barriers & policies:** We advocate for fair and transparent trading practices, aligning our efforts with the EU Unfair Trading Practices Directive to ensure a level playing field for all stakeholders in the supply chain. At CCEP, we are committed to fostering strong, equitable relationships with our suppliers and customers, emphasizing mutual respect, fairness, and open dialogue. This commitment is integral to our global approach to overcoming trade barriers and shaping policies that support sustainable growth and fair competition across our markets.
- **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, while the advocacy and engagement on these topics is led by the TCCC, we are a trusted partner and collaborate regularly with our counterparts in TCCC to ensure alignment and appropriate internal awareness.

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.

Overview Of Costs Related To Public Policy Influence

In 2023, we spent a total of € 4,207,985 on public policy, trade association and climate advocacy activities. This represents 0.02% of our revenues in the same year.

The chart below shows how this is distributed between the different types of engagement we undertake. The majority is with our trade associations and business coalitions (€3,501,549). The remainder (€706,436) is spent on direct advocacy.



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 2023.

Trade Associations

The Coca-Cola System is a member of different trade associations representing our priority policy topics 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 • Institut du Commerce - France
Food and 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. 	<ul style="list-style-type: none"> • EUROPEN - EU

Climate
Advocacy

- Usually represents packaging producers, fillers/packers and importers.
- Main topic of interest in 2022 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.

- Advocates to help businesses achieve the goal of net zero emissions, limit global temperature, aiming for 1.5°C and build an economy that supports and enables the UN Sustainable Development Goals
- Corporate Leaders Group
- The climate Group
- Business Coalition for a Global Plastics Treaty

In 2023 we paid €3,501,549 to our trade associations which represents 83% of our total expenditure to advocate for balanced public policy.²

Largest expenditures in 2023

Trade Association	Country	Cost in EURO
ANFABRA	· Spain	· € 563,281
BRF	· France	· € 324,475
FEVIA	· Belgium	· € 243,469

Largest expenditures in 2023

Topic / Issue	Main Entity Used	Cost in EURO
- EU packaging and packaging waste legislation	· UNESDA	· € 185,160
- EU Green Deal including Circular Economy Action Plan and Farm-to-Fork strategy (nutrition labelling and nutrient profiles)		
- EU packaging and packaging waste legislation	· EUROOPEN	· € 24,000
- Implementation of the Single Use Plastics Directive		
- EU Green Deal including Circular Economy Action Plan and Farm-to-Fork strategy (packaging-related items)		

⁽²⁾ Please note that the trade associations we engage with conduct other activities outside policy, hence the fees paid to these associations do not only relate to advocating for balanced public policy, but also will be spent on staff costs, administration etc.

Direct Advocacy - Advocacy, 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 with the support of agencies.

In 2023 we spent €706,436 on direct advocacy in specific countries. This included support of and advocacy for: continued spend in the UK and New Zealand around the implementation of beverage packaging return schemes; waste management in Indonesia, both locally and at COP 28; the revision of EU's Packaging and Packaging Waste Regulation; and convening stakeholder dialogue via Real Talk stakeholder events in the Netherlands and Belgium. This represents 13% of our total public policy influence expenditure and is a decrease on the 30% share in 2022.