



TAX STRATEGY PAPER

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CCEP Overview

Coca-Cola Europacific Partners Plc and its subsidiaries (CCEP) are a leading consumer goods group in Western Europe and the Asia Pacific region, making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages.

We are growing our business and brands as a force for good, managing our social and environmental impact and aiming to make our people and our stakeholders proud of our actions.

CCEP continues to recognise the growing importance of Environmental, Social and Governance issues to its stakeholders, including the focus on clear and quantifiable commitments. Our sustainability action plan, *This is Forward*, sits at the heart of our long-term business strategy and is built on six key social and environmental areas where we know we can have a significant impact, and which our stakeholders want us to prioritise: climate, packaging, water, supply chain, drinks and society.

In delivering our growth ambition, it is our responsibility to operate the business in the long-term interests of all our stakeholders. We live up to our responsibilities as a business by being accountable, ethical and aware of the risks in everything we do. We invest, employ, manufacture and distribute locally, maintaining a strong commitment to the wellbeing of our communities.

We are growing faster together by combining the strength and scale of our large multinational business with an expert, local knowledge of the customers we serve and communities we support. Our success is built on three pillars: great brands, great people and great execution.

We seek to focus on where we can make the greatest impact for our people, partners, consumers, the environment and our community – aiming to deliver value to all our stakeholders.

Growing faster together

Faster Growth

We were excited to announce a joint venture acquisition of Coca-Cola Beverages Philippines, Inc.

Faster on Brands

We were delighted to launch Jack Daniel's & Coca-Cola ARTD

Faster Career Progress

We help people accelerate their careers us by offering a wide range of different apprenticeship schemes

Faster on Recycling

In Indonesia, we have launched bottles made from 100% rPET plastic.

Faster on Resilience

We are making our supply chain more resilient by using AI tools

CCEP Overview

Continued

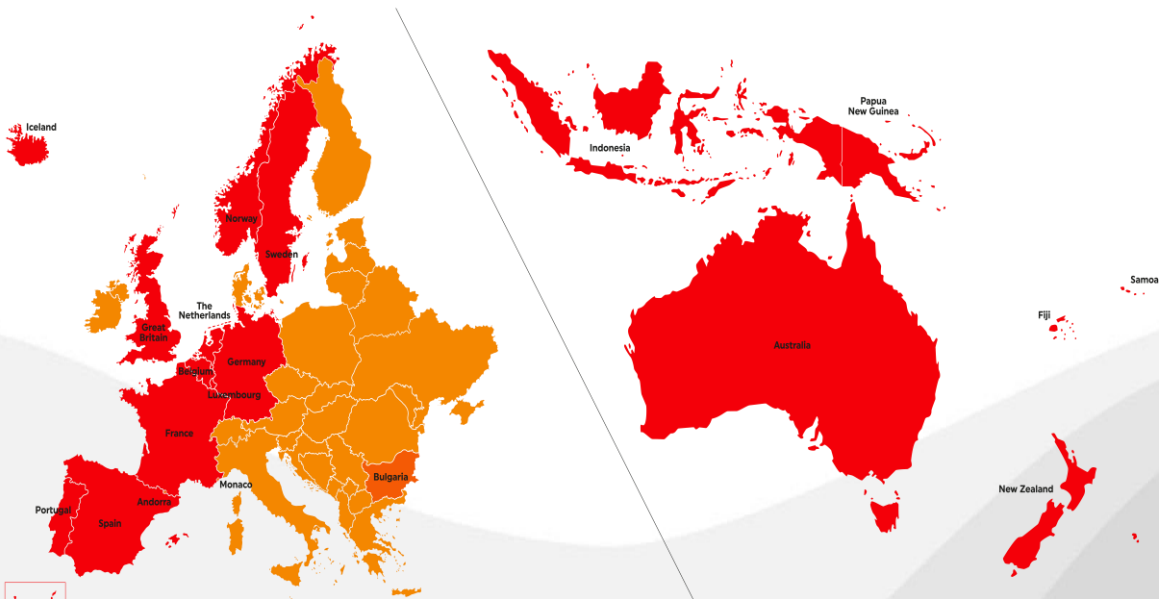
2023 was another great year for CCEP. We have the momentum and platform to go even further together.

We are the market leader in a profitable and growing soft drinks category that is worth approximately €130 billion across our markets. We make, move and sell some of the world's most loved brands – serving 600 million consumers and supporting the growth of our 2 million customers across 31 countries. Our success is defined by the passion, hard work and commitment of the 32,000 people who work at CCEP.

To continue our expansion into Asia Pacific region, we have entered together with Aboitiz Equity Ventures Inc. into an agreement to jointly acquire Coca-Cola Beverages Philippines, Inc. The acquisition was completed in February 2024 and will further position CCEP as the world's largest Coca-Cola bottler by both revenue and volume while supporting our long-term growth strategy and focus on driving stakeholders' value.

Region	Revenue(A) (EUR m)	Revenue (%)	No. of Employees(A)	Corporate Income Tax Rate (%)
Spain, Portugal & Andorra	3,325	18.5%	3,964	ES: 25.00% PT: 24.49%
Germany	3,018	16.5%	6,473	30.47%
Great Britain	3,235	17.5%	3,487	23.50%
France & Monaco	2,321	12.5%	2,623	25.83%
Belgium & Luxembourg	1,078	6.0%	2,165	BE: 25.00% LUX: 24.94%
Netherlands	718	4.0%	803	25.80%
Norway	376	2.0%	568	22.00%
Sweden	398	2.0%	725	20.60%
Iceland	84	0.5%	166	20.00%
Bulgaria	-	-	1,196	10.00%
Total Europe	14,553		22,170	
Australia	2,385	13.0%	3,652	30.00%
New Zealand and Pacific Islands	679	3.5%	1,787	NZ: 28.00% FJ: 20.00% WS: 27.00%
Indonesia and Papua New Guinea	685	4.0%	4,706	IN: 22.00% PNG: 30.00%
Total API	3,749		10,145	
Total CCEP	18,302		32,315	

(A) All shown data is as of 31 December 2023



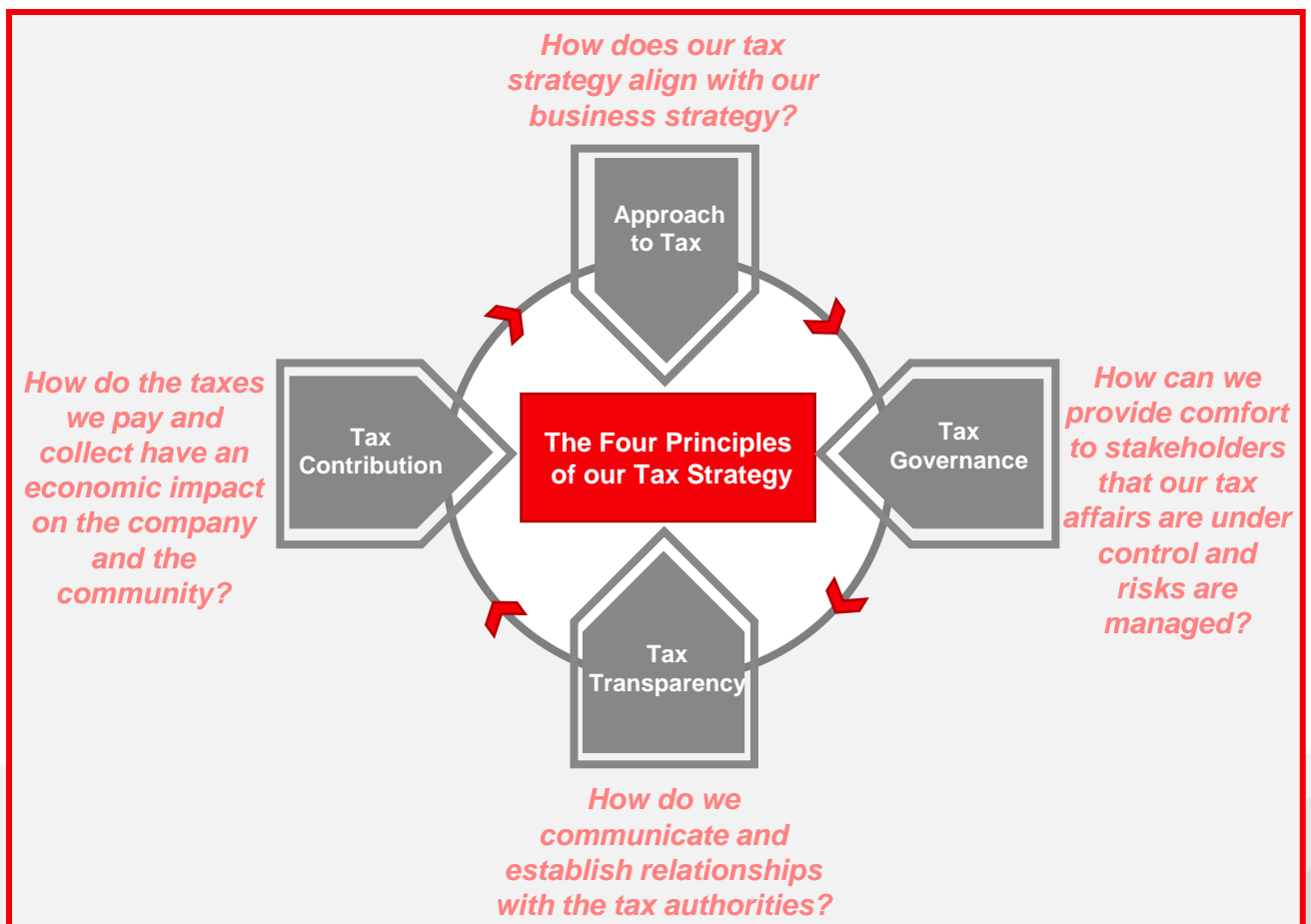
 CCEP has two shared services offices in Bulgaria but does not manufacture or distribute products there.

The Four Principles of our Tax Strategy

CCEP is transparent about its approach to tax and taxes paid, and we strive for an open dialogue with governments and society on tax matters. CCEP's tax operating environment and framework is guided by the CCEP Tax Strategy that is based on the four fundamental principles:

- **Approach to Tax:** We comply with both the letter and spirit of tax law in a responsible manner and align our tax strategy with our business strategy.
- **Tax Governance:** We apply diligent professional care and judgment to ensure all decisions are well-considered and documented.
- **Tax Transparency:** We value open and constructive relationships with tax authorities and support efforts to increase public trust in tax systems.
- **Tax Contribution:** We believe the taxes we pay and collect have a positive impact in the communities and economies of the countries in which we operate.

This Tax Strategy Paper is intended to provide our stakeholders with answers to the following questions:



We review our global policies annually to ensure we take account of any changes in the internal and external environment. If you have any questions, please email the CCEP Tax Team at tax@ccep.com

Approach to Tax

How does our tax strategy align with our business strategy?

We are committed to complying with both the letter and spirit of tax laws in a responsible manner and aligning our tax strategy with our business strategy.

We carefully align our obligation to comply with tax laws in a responsible manner with the need to support competitive business growth. The Tax Team's role is to support key business initiatives, inform the business of legislative changes and manage tax risks to deliver sustainable financial results every year.

In practice

Our business is very local. In most of the countries where we operate, CCEP owns sizable production facilities and sells to thousands of customers. Our reported Effective Tax Rate (ETR) in 2023 was 24% and reflected the natural blend of the statutory tax rates, profit mix and the alignment between our tax strategy with our business model in the countries where we operate.

We use business structures that are driven by commercial considerations, aligned with business strategy and have genuine substance. Our transfer pricing policies and methodologies are based on the arm's length principle and the OECD guidelines.

We do not engage in or become involved in aggressive tax arrangements. We do not have any companies in countries identified as tax havens on the EU list of non-cooperative jurisdictions with the exceptions of Fiji, Samoa and Vanuatu where we have business operations. We do not engage in tax avoidance practices.

No value or income would be transferred or allocated to a low tax jurisdiction or an entity of the group if there is no economic substance in such entity or any functional analysis evidencing and supporting why such value or income was transferred or allocated to such entity.

In practice

We would not undertake or recommend a particular transaction unless it successfully meets the following standards:

- Driven by the business initiative or need;
- Based on strong technical tax position in accordance with the letter and the spirit of tax law;
- When necessary, and if there may be an ambiguity in interpreting the applicable tax law, we prepare a position paper that clearly assesses and documents the facts;
- When addressing tax risk, the following factors are considered:
 - ✓ What is the impact of our tax position on our corporate reputation/brand?
 - ✓ What is the impact of our tax position on our relationships with governments?
 - ✓ What would be the benefit of certainty in respect of an uncertain or disputed tax position?

We recognise that tax is complex and the tax authorities may not always agree with some of the decisions we make. If there are uncertainties when applying a particular area of tax law, we always work to interpret the obligations in a responsible way.

Tax Governance

How can we provide comfort to stakeholders that our tax affairs are under control and risks are managed?

We apply diligent professional care and judgment to ensure all decisions are well-considered and documented.

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 our Board of Directors (Board) overseeing the interests of all stakeholders.

Our Code of Conduct (CoC) seeks to ensure that we act with integrity and accountability in all our business dealings and relationships, in compliance with all applicable laws, regulations and policies. The CoC sets out the standards of behaviour to which we expect all employees to adhere. CCEP's tax responsibilities are managed in line with these standards where tax compliant behavior is the norm.

We do not condone or support tax avoidance or tax evasion and are committed to preventing anybody employed or contracted to CCEP, or acting on CCEP's behalf, from facilitating the avoidance and evasion of tax. It is CCEP policy to conduct all our business in an honest and ethical manner. The CCEP's Anti-facilitation of Tax Evasion Policy sets out CCEP and individual employee's responsibilities in observing and upholding our position on preventing the criminal facilitation of tax evasion and provide information and guidance to how to recognise and avoid tax evasion.

The Tax Team reports to the Audit Committee of the Board ("Audit Committee") on tax strategy and provides quarterly updates on the group's effective tax rate, tax provisions, key tax matters and compliance with our tax principles.

In practice

We share the main drivers of our effective tax rate and other significant tax matters with the Audit Committee, so they have a full understanding of factors that are controllable, able to be influenced (e.g. industry tax reforms to foster investments) or not controllable (e.g. worldwide economy, major tax reforms) and which could impact our effective tax rate and the company's overall tax position. The Audit Committee reviews and approves our Tax Strategy Paper each year.

CCEP has a strong governance structure in place to ensure that decisions are taken at the appropriate level. We have robust internal policies, processes, training and compliance programmes to ensure we have alignment across our business and meet our tax obligations.

In practice

Tax has its own section in the CCEP Global Chart of Authority (COA) and provides approvals for other functions, e.g. Supply Chain, Human Resources, Treasury, etc., to ensure that business strategies and our tax principles are aligned and tax consequences associated with a business decision are considered. The Tax Team's involvement is required in the planning, implementation and documentation of significant changes or transformations to existing business activities, acquisitions and disposals, changes in corporate structure, cross-border financing arrangements, and other significant business developments.

Tax Governance

Continued

How can we provide comfort to stakeholders that our tax affairs are under control and risks are managed?

We always ensure proper compliance with all taxes and ensure all our returns are reported accurately and on time. CCEP has a strong internal control structure in place where tax reporting and compliance processes are subject to the CCEP controls framework.

CCEP manages tax implications arising from its operations by ensuring that reasonable care is applied in relation to all processes which could materially affect its compliance with its tax obligations.

We also have a risk management process. We report our main risks framework to the Enterprise Risk Management Team which is headed by the Chief Compliance Officer. Each year the Audit Committee reviews the effectiveness of CCEP's system of risk management and internal controls, including financial, taxation, operational and compliance controls.

The various tax responsibilities are carried out by CCEP's experienced tax professionals located in most of CCEP's major business jurisdictions. CCEP provides training and supports to all members of the Tax Team to ensure they have the skills, knowledge and technical expertise to fulfil their responsibilities and perform to the best of their abilities. This enables our people to develop into talented, mindful and skilled professionals. We want to attract, retain and grow the best tax professionals and fully utilise our in-house resources and use external advisors only when appropriate. Training is also provided for staff outside the Tax Team who manage or process matters which have tax implications.

In practice

CCEP follows Sarbanes-Oxley 404 (SOX) requirements for our key income tax and indirect tax processes and controls outlined in detailed process flows*. Key risks and controls related to tax processes are assessed annually by CCEP's Internal Controls Team. At each quarter, tax charge and provisioning decisions are discussed internally between the CCEP Accounting and Tax Teams and then disclosed to CCEP's auditors to ensure that all transactions are adequately translated into the tax charge. The Tax Team collects details of all exposures and provisions on a quarterly basis with an approval process for any new provisions or changes to existing provisions. In quarterly calls, local teams confirm that they have met their statutory tax obligations, their controls are operating effectively and all tax positions are in compliance with our tax principles.

Tax Transparency

How do we communicate and establish relationships with the tax authorities?

We value open and constructive relationships with tax authorities and support efforts to increase public trust in tax systems.

We believe relations between businesses and tax authorities should be transparent, constructive, and based upon mutual trust. Both should treat each other with respect and, in all dealings, with an appropriate focus on risk areas when it comes to tax compliance. CCEP has adopted the following principles vis-à-vis the tax authorities to ensure that the local tax authorities have a fair and deep understanding of its tax affairs as efficiently as possible.

In all jurisdictions which CCEP operates, we aim to establish an open and transparent dialogue with the local tax authorities. Wherever possible, we work in collaboration with local tax authorities to reach agreements, such as advanced price arrangements on transfer pricing matters, find the correct interpretation of the law, discuss and resolve any disputed issues.

We provide authorities with timely and comprehensive information on potential tax issues. In return, we look to receive treatment that is open, impartial, responsive and grounded in an understanding of our commercial environment.

In practice

We have an enhanced working relationship with our Customer Compliance Manager (CCM) in the UK and The Netherlands. We have a regular open and transparent dialogue with our CCMs and meet in person at least once a year. We strive to engage them in advance of undertaking transactions and filing tax returns. This constructive cooperation with the tax authorities results in transparency as well as faster and greater clarity on our tax positions. We follow the same approach in countries which do not have a formal 'enhanced partnership' process with the taxpayer.

We are always looking to build public trust in CCEP's tax dealings. We feel that this is best achieved by informing the public of our approaches to tax, and by increasing the public's understanding of the tax system.

We provide extensive information on the taxes we pay in our Integrated Report (refer to Note 20 on pages 204 – 207 of 2023 CCEP Integrated Report).

CCEP fully supports the OECD's initiatives aimed to build better policies for better lives including the landmark reform to the international tax system, transparency and exchange of information for tax purposes.

In practice

We fully comply with the exchange of country-by-country reporting data between tax authorities.

CCEP is a member of the European Business Tax Forum (EBTF), the leading body of European businesses dedicated to raising the standard of the public debate around the tax position, tax behavior and tax contribution to society by large businesses.

Tax Contribution - 2023

How do the taxes we pay and collect have an economic impact on the company and the community?

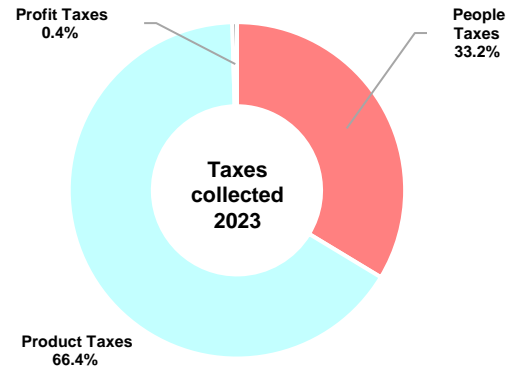
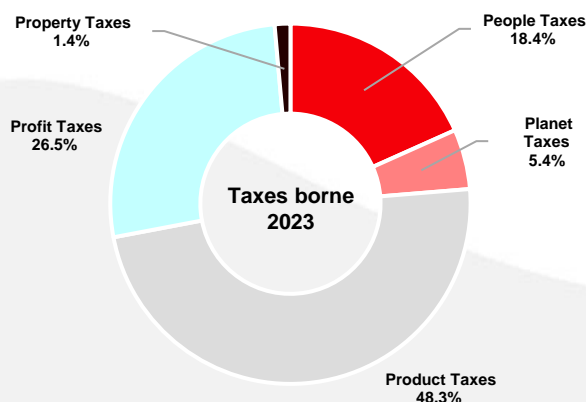
We have established strong fundamentals for how we hold ourselves accountable to the outside world. We comply with all local tax laws, and we know how important our taxes are in positively benefiting the local economies where our business is based.

In addition to corporate income taxes (Profit Taxes), CCEP pays and collects many other business taxes that also significantly contribute to the public finances (altogether 5P's taxes):

- **People Taxes** – Employer Social Contributions and Employee Withholding Taxes & Social Security
- **Planet Taxes** – Environmental Taxes & Production Taxes
- **Product Taxes** – VAT, Sugar/Soft Drink Taxes, Customs Duty & Excise Taxes
- **Profit Taxes** – Corporate Income Taxes & Withholding Taxes
- **Property Taxes** – Real Estate Taxes

The taxes paid by us have a direct impact on our financials and considered to be a direct contribution to tax revenues. The taxes collected by us are administered and collected on behalf of governments and considered to be a company's indirect contribution to the tax revenues.

In 2023, CCEP's total tax contribution was €3.7 billion with €1.9 billion in direct taxes paid and €1.8 billion in indirect taxes collected across all territories in which we operate.



Overall, for every €1 of corporate income taxes paid, CCEP additionally paid €2.77 in other taxes and collected €3.48 in indirect taxes. In 2023, we employed 32,315 people across our business and contributed €29,218 per employee in People taxes. Further details for the 2023 CCEP Total Tax Contribution by region are provided on page 11.

Our economic contribution to public finances goes beyond taxes. Investments in supply chain infrastructure relate to investments in our manufacturing and distribution facilities of €672 million. In addition, during 2023 the Group spent €140 million on capitalised development activity, primarily in relation to the continuation of our business capability programme and further investments in technology and digitization. In 2023, our total community contribution was €14.80 million together with 32,500 volunteering hours.

Tax incentives and exemptions are often implemented by governments and authorities to support investment, employment and economic development. We embrace such initiatives and in partnership with the business, we carefully evaluate available tax incentives and exemptions. Where CCEP could claim tax incentives offered by governments, we seek to ensure that they are transparent and consistent with statutory and regulatory frameworks.

Note:

This document is published by CCEP plc and its UK subsidiaries in satisfaction of the requirements under Schedule 19 of Finance Act 2016. This strategy also applies to CCEP plc's non-UK subsidiaries.

Related links:

[2023 Integrated Report and Form 20-F](#)

Tax Contribution - 2023

Continued

The following table provides CCEP's 5P's Taxes Borne and Collected in 2023 by geographical regions (EURm).

In practice										
TAXES BORNE	GB	FR(A)	NEBU(B)	IB(C)	DE	AU	NZ & PI(D)	IN & PG	OTHER(E)	Total CCEP
People Taxes	31.8	69.1	72.8	58.5	84.9	19.3	7.3	5.9	4.3	353.9
Planet Taxes	0.4	0.3	100.6	0.5	1.9	0	0	0	0	103.7
Product Taxes	254.2	234.9	120.0	41.7	2.8	203.5	68.1	6.5	0	931.7
Profit Taxes	52.3	32.3	85.0	147.8	20.8	111.6	20.4	21.8	19.3	511.3
Property Taxes	6.4	5.6	3.1	4.3	1.3	5.6	0.4	0.3	0	27.1
Total Taxes Borne	345.1	342.1	381.5	252.8	111.7	340.1	96.1	34.6	23.6	1927.7
TAXES COLLECTED	GB	FR(A)	NEBU(B)	IB(C)	DE	AU	NZ & PI(D)	IN & PG	OTHER(E)	Total CCEP
People Taxes	77.7	42.7	101.3	80.8	168.6	78.1	25.6	9.4	6.0	590.2
Product Taxes	199.8	0	52.2	389.3	358.6	117.6	29.6	33.7	0	1180.8
Profit Taxes	0	0	0	2.8	0	0	0.7	4.2	0	7.8
Total Taxes Collected	277.5	42.7	153.5	472.8	527.2	195.7	55.9	47.3	6.0	1778.8

- (A) FR refers to continental France and Monaco
 (B) NEBU refers to Belgium, Netherlands, Luxembourg, Norway, Sweden & Iceland
 (C) IB refers to Spain, Portugal and Andorra
 (D) PI refers to Fiji, Samoa and Vanuatu
 (E) OTHER refers to Bulgaria, Ireland, USA & Singapore



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